



**United States Agency for International Development**

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# **RESULTS REVIEW AND FY 2001 RESOURCE REQUEST**

**USAID/PHILIPPINES  
March 31, 1999**

The attached results information is from the FY 2001 Results Review and Resource Request (R4) for the Philippines and was assembled and analyzed by USAID/Philippines.

The R4 is a “pre-decisional” USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from Ms. Patricia K. Buckles, USAID/Philippines Mission Director.

Related document information can be obtained from:

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## ***Memorandum***

**FROM:** Patricia Buckles  
USAID/Philippines Mission Director

**SUBJECT:** Strategy and R4 -- Summary and Management Issues

**DATE:** March 31, 1999

The attached package transmits the USAID/Philippines R4 documents as well as materials to explain the rationale behind the proposed major shifts in the USAID/Philippines Country Program Strategy. Over the past year, there have been significant developments that made it necessary for us to reassess our program, in terms of resources and strategies, to achieve the development goals and objectives outlined in the USAID Assistance Strategy approved in 1995.

Our assessment concluded that while our Mission strategic objectives are still relevant, implementation must be greatly accelerated and modified to respond effectively to: the economic development constraints and opportunities created by the effects of the Asian Financial Crisis (AFC); the priorities of the new Philippine Government; the impacts of calamitous weather conditions on agriculture; the lessons learned from pilot and demonstration activities; and changing perspectives on U.S. national interests in the Philippines and in the East Asia region on such issues as corruption, child labor, trafficking in women, and global climate change. Moreover, reduced budget levels experienced this year and anticipated in the future require new implementation approaches that rely on greater collaboration among Mission Teams and with other donors.

### **A. FROM THERE TO HERE**

During the 1990s, dramatic movement towards political and economic liberalization helped raise annual economic growth rates in the Philippines to over 5% and reduce poverty by approximately one percentage point per year. USAID supported these advances through comprehensive support programs in the economic and civil society reform areas. Key interventions included macroeconomic policy reform, financial markets institutional reform, trade and investment liberalization, infrastructure finance, business promotion and development, environmental management, civil society development, and local government reform.

Prospects for continued buoyant economic growth seemed strong for the Philippines. However, the country was hit hard during the 1997-98 period by the twin shocks of the prolonged drought (*El Nino/La Nina*) and the continuing regional financial crisis. As a result of the combined effect of these major external events, GDP growth and private investment flattened, imports declined precipitously, the nominal exchange rate fell by approximately 40%, annual inflation hit the 9% level, and unemployment reached double-digit figures. In addition, the financial positions of firms in the corporate sector worsened significantly, and the number of companies that filed for debt relief accelerated dramatically.

Although the country has suffered severely as a result of these shocks, it has not experienced the dramatic decline in real output and exports witnessed in a number of neighboring countries. The country's GDP growth rate, which was -0.5% in 1998, compares favorably with the estimated -15.3% in Indonesia, -8.0% in Thailand, -7.5% in Malaysia, and -7.0% in Korea. The distinguishing characteristics that helped the Philippines weather the crisis exceptionally well include the following:

1. The success that the Philippines has during the last decade in liberalizing trade and diversifying its export markets lessened its vulnerability to declining demand in regional markets.
2. The relatively strong financial regulatory oversight guidelines in place at the onset of the regional crisis (and which were strengthened further in the early stages of the crisis), limited the deterioration of the asset base and financial position of major banking institutions in relation to that experienced in other East Asian countries.
3. The more recent opening of the Philippine capital markets to foreign portfolio investors limited the accumulation of foreign exchange-denominated liabilities in the financial system of the Philippines in relation to that experienced in many neighboring countries.
4. The Philippine democratic political system has made possible a smooth transition of power and continuity of policies and institutions. The election of the Estrada Administration with a broad mandate marks the second time that there has been a peaceful transfer of authority in the country since the revolution of 1986.

At the same time, the regional crisis did reveal serious weaknesses in the financial and corporate governance structures of the major East Asian economies, including the Philippines. It also created severe budgetary pressures that highlighted the social expenditure inequities associated with the current intergovernmental finance system. Moreover, at the onset of the crisis, the Philippines had a significantly larger proportion of its population below or at the poverty line than did most other middle-income East Asian countries (approximately one-third).

Thus, although the country was not as hard hit by the crisis as some of its neighbors, the crisis has the potential to have a harsher absolute impact on the incidence of poverty in the Philippines than in many neighboring countries. This is a result of the less favorable socio-economic profile of the population of the Philippines and its greater vulnerability to the impact of declining short-term economic growth performance on per capita income and consumption levels. The country's high population growth rate (2.32%) exacerbates poverty problems and contributes to the current negative growth in GDP and environmental degradation. The problems are particularly severe among urban populations that have been hit hard by the AFC. *El Nino* drought further contributed to the swelling numbers of the jobless streaming to the urban centers of the country. Cuts in national and local budgets have also adversely affected the delivery of basic health care services, especially to the poor.

The socio-economic pressures associated with weakening economic conditions in the Philippines are being played out against a complex political backdrop. The newly elected government of President Joseph Estrada, who assumed office this past summer, has been moving through the predictably complex transition process associated with any new administration. Through its first six months in office, the Estrada Government seemed to be characterized by shifting policy priorities and a lack of a unified policy and institutional reform focus. However, as the Government of the Philippines (GOP) prepared for this year's Consultative Group (CG) Meetings in Tokyo (March 1999), core policy reform priorities and a coherent vision for a medium term development plan progressed at an accelerated pace.

At the CG, the GOP reiterated its commitment to accelerating progress in reducing poverty and promoting agricultural sector recovery and expansion. (The agricultural sector declined by approximately 6% in 1998, the largest fall in three decades. It contributes approximately 25% of GDP, accounts for about 40% of total employment and products produced by the sector provide a significant share of annual export revenues.)

The Medium-Term Philippine Development Plan presented by the government at the CG calls for a strong focus on expansion of infrastructure investment and strengthening of business development and market linkage efforts in rural areas, based on recognition that: 1) renewed agricultural growth will spur downstream manufacturing and service sector linkages, which will accelerate overall economic recovery; and 2) poverty remains disproportionately concentrated in rural areas in the Philippines.

The GOP also asserted its ongoing commitments to:

- Stable macroeconomic policies (including a major emphasis on enhanced revenue collection and tax administration reform).
- Continued progress on trade and investment liberalization and economic integration.
- Continued restructuring of the power sector and the eventual privatization of the National Power Corporation to level the playing field, generate efficiencies, and develop indigenous and environmentally friendly energy sources.
- Accelerated progress in key economic governance areas (including reforms in the financial, corporate governance, and the public management areas) which clearly require strengthening in the wake of the AFC.
- Decentralization of decision-making authority and increased local resource mobilization to address local government unit (LGU) priorities, including integrated environmental and community-based resource management.
- Decentralization of health care services targeted at the poor and rapid expansion of private sector delivery of health and family planning services to the non-poor.

Despite these commitments, tensions and inconsistencies could emerge between the GOP's short-term poverty reduction goals and its plan to continue economic liberalization. A recent Executive Order that increased tariff rates for a spectrum of imports, although consistent with WTO and ASEAN guidelines and underscored by GOP officials as a temporary measure, is clearly an unwelcome policy signal. Likewise, the GOP's recent decision to extend the duration of the agrarian reform program and to re-endorse a previously dormant policy of parcelizing all land plots between 3 and 24 hectares, is again a worrisome sign. This underscores the importance of implementing support programs that buttress the understanding of, and support for, core economic policy and institutional reforms that both promote liberalization and improve earnings and social service access opportunities for vulnerable social groups.

## **B. OTHER CHALLENGES**

Although the AFC has been the primary consideration motivating the decision to modify our strategy, other considerations played a role as well. These other considerations include:

- Election of a New Philippine President The new Estrada Administration assumed office in 1998 with a much more populist development agenda than the previous Ramos administration. As a result of the changes in key Government leaders, and the opportunity presented by their receptivity to change, the Mission responded quickly to accelerate implementation of family planning and environmental programs, and to introduced innovative approaches to address the issues of corruption, government revenue shortages, weaknesses in the justice system, and the need to combat infectious diseases.
- The Influence of *El Nino* and *La Nina*. *El Nino* and *La Nina* contributed to a 6.6% drop in agricultural production, the worst in 30 years, which has had a major impact on economic growth. The events have helped to highlight fundamental weaknesses in the agricultural sector and have created new opportunities for accelerating agricultural reform.
- Lack of Significant Progress in Achieving the Mission's Family Planning SO The Mission's family planning SO has to date supported a predominately public sector program. Despite \$20 million in annual USAID funding alone, modern contraceptive use, which is already low at 28%, is declining rather than increasing. Unless this trend is reversed and performance accelerated, SO 3 will not meet its stated goals. Both GOP and USAID have determined that improved program performance and sustainability can be achieved only through greater private sector role and participation in the program. As a result, the Mission has determined that it is necessary to modify its strategy to increase the private sector role, while encouraging the GOP to focus its scarce resources on addressing the needs of the poor.
- New Information about Biodiversity. Findings from recent studies suggest that the Philippines is the world's most urgent conservation priority. If attention is not paid to resolving this problem immediately, it is possible that the country will experience "the first major extinction spasm of the twenty-first century."

- Maturation of Models for Effective Governance Field activities carried out in partnership with selected local governments have led to the development of new contextually-sensitive models for financial management, participatory planning, environmental management and service delivery suitable for emulation across local government units (LGUs) throughout the Philippines. This situation has resulted in a significant new demand for SO 6 LGU capacity-building activities.

## **C. THE MODIFIED STRATEGY**

These political and economic changes form the backdrop against which USAID/Philippines proposes to modify its country strategic plan. The Mission's current strategy is focused on support for trade and investment liberalization and regulatory reform, accelerated economic development in Mindanao (the poorest region in the Philippines, and one that possesses a significant Muslim population), improved family planning policies and practices, economically efficient and environmentally-friendly power generation, sustainable environmental management policies and practices, and broadened civic participation in local governance.

The modified strategy proposes to continue these core elements of the USAID/Philippines support program. However, it also proposes an intensification of key elements of the strategy that address:

1. Policy and institutional distortions that contributed to financial market vulnerability.
2. Major targets of opportunity for policy and institutional reform created in the wake of crisis, e.g., corruption and transparency.
3. Decentralization and LGU resource mobilization to promote natural resource management, especially through integrated watershed management.
4. Government health care reform to improve program effectiveness and sustainability through decentralization and greater reliance on the private sector for expanded family planning services to those who can afford to pay.

Our goal is to facilitate implementation of an assistance program that will speed the recovery of the Philippine economy from the spillover effects of the crisis; lessen its vulnerability to future financial shocks; and improve the public resource management process in a manner which tightens the cost-efficiency and targeting of major public expenditure programs.

Our modified program will place increased emphasis on combating urban problems, particularly those problems exacerbated by the impact of the AFC. Unemployment in the Philippines increased from an average of 8.6% in 1997 to 10.1% in 1998, largely as a result of increased unemployment in urban areas. As a result, USAID, in collaboration with other donors, has determined that ongoing activities could be expanded or modified to address increased urban unemployment and poverty through the following actions:

1. We will work to ensure adequate financing for micro, small and medium enterprises as well as facilitating private sector investment.
2. We will work with the GOP to reduce its vulnerability to future financial shocks and improve its ability to manage public resources.
3. We will expand activities with municipal and provincial governments to implement more cost-effective systems for tax collection, revenue generation, and infrastructure financing (Build-Operate-Transfer, Development Credit Authority, etc.).
4. We will increase support for policy analysis and constituency development for energy sector privatization to help reduce business operational costs, lower electricity rates, stimulate expansion, and increase employment opportunities.
5. We will provide expertise in the areas of telecommunications, electronic commerce, and urban transport to facilitate business development, increase trade and investment, and expand employment opportunities.
6. We will help meet the needs of the urban population through our new private sector family planning initiative. One or more comprehensive service delivery centers will be established in each of the 30 major cities and towns in the Philippines over the next 2-3 years.
7. We will introduce surveillance and education interventions for highly infectious diseases such as dengue, tuberculosis, and malaria. (The first two of these three are more prevalent in urban areas.)
8. We will intensify work with the leagues of governors, vice governors, mayors, barangay captains, and leagues to replicate best practices in local government, e.g., investment promotion, health service delivery, and environmental management.
9. We will continue assistance to civil society coalitions advocating for marginalized groups such as the urban poor, street vendors and informal sector workers, as well as those living in "high growth areas."
10. We will promote market-based investments to help industry reduce pollution (while increasing profitability) and manage solid waste.
11. We will help urban business interests to combat government corruption and establish partnerships with different institutions to reform government procurement and other processes.
12. We will integrate environment, economic growth and democracy strategic objectives through shared common sub-results and contractual mechanisms to encourage contractors and grantees to collaborate.



13. We will shift from donor coordination to donor collaboration, to achieve a common set of results.

The Mission is continuing to direct a portion of our resources to Mindanao, which comprises one third of the country's land mass, contains a quarter of the population, and is inhabited by many of the country's impoverished population. Recognizing that economic growth resources have diminished drastically, we concluded that we could maximize our impact by collaborating with other donors to address national policy issues and focusing our private sector promotion activities on a single geographic area. Most of our intensified investment promotion and micro-finance development activities are concentrated in major urban areas of Mindanao.

Our in-depth understanding of a specific geographic area is fed back into our policy reform activities at the national level. We have demonstrated that Mindanao is the area of the Philippines where we could obtain an extraordinary payoff from the investment of our resources and learn important lessons relevant to national policy. It continues to be the area with both the greatest need and the greatest opportunity for economic progress.

Mindanao was severely affected by the AFC, *El Nino* and *La Nina*. The resulting economic downturn and the associated shortfall in budgetary resources allocated to Mindanao have heightened tensions in the Muslim areas of Mindanao, as reflected in a recent upswing in banditry and kidnapping activities. In response to these problems, as well as our desire to overcome decades of neglect by the National Government and private sector, we are adding conflict prevention efforts to help Mindanao expand its production of manufactured and processed goods, develop its physical infrastructure, and catch up to the rest of the country.

#### **D. MANAGEMENT GOALS**

**Increased Impact.** The revised strategy aims for higher and more cost-effective results, through both continuity and change. We are reinforcing the approaches that are achieving results. We have identified our successful innovations and are building on them. We are adapting our approaches to take into account lessons learned during the last four years of strategy implementation. Where activities contributed negligibly to our results, we are dropping them from our portfolio and moving in new directions.

**Nationwide Results.** Our goal is to achieve nation-wide results, based on successful pilot activities and national policy reforms. Strategy modifications will enable us to roll out models of environment, health, and municipal management to all receptive local government units. Our work at the national government levels in these areas, as well as in economic policy, will facilitate the rollout process.

**Integration and Synergy.** To assure maximum impact, we have reinforced the areas of program integration and synergy. The health, environment, and economic growth strategic objectives now share common sub-results with the democracy strategic objective. We are developing contractual mechanisms and opportunities for our contractors and grantees to collaborate, both nationally and in specific geographic areas.

**Collaboration with GOP and Other Donors.** We are not satisfied with simply coordinating our assistance. Reduced resources are forcing donors to collaborate, i.e., work together for a common set of results. The following are examples of collaborative approaches already adopted by USAID: 1) we have supplied much of the engineering work for the World Bank's small infrastructure activities in Mindanao; 2) we worked with the ADB to jointly design a capital markets activity; 3) we also worked closely with the ADB to insure approval of their \$300 million power sector loan; 4) under the umbrella of the Common Agenda we jointly financed HIV/AIDS prevention activities with the Japanese; and 5) we are working with the UNDP and the Land Bank of the Philippines to encourage increased private-sector lending for renewable energy.

**Pipeline Management.** The Mission has rigorously reviewed its expenditure and pipelines levels. To ensure compliance with the 12-months forward funding guidelines, we will conduct budget reviews on a quarterly basis. We expect expenditures to increase dramatically as successful program demonstration interventions are "rolled out" nationwide to receptive local governments at the provincial, municipal, city, and barangay levels. Length of contracts will not drive funding request and expenditure planning levels, but rather, the requirements to achieve greatly expanded impact using effective and efficient delivery mechanisms to maximum effect.

## **E. RESOURCE REQUIREMENTS**

**USAID/PHILIPPINES STRATEGY FOR FY 1999-2004**  
**Funding Source Budget (Amounts in \$000)**

<b>Funding Source</b>	<b>Resource Requirements</b>					
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Development Assistance	27,150	40,000	40,000	40,000	40,000	31,500
AERA	6,500	12,300	6,000	6,000	-	-
Economic Support Funds	-	5,000	5,000	5,000	3,500	-
<b>TOTAL</b>	<b>33,650</b>	<b>57,300</b>	<b>51,000</b>	<b>51,000</b>	<b>43,500</b>	<b>31,500</b>

Based upon discussions with the ANE Bureau, the planned DA funding level for the modified strategy is \$40 million per year. However, the availability of pipeline as well as AERA funds and ESF will permit expenditure levels in the range of \$70 million per year, at least through FY 2001. (At the end of FY 2001, however, we will no longer have sufficient funding to cover projected 12 months of expenditures.) The Mission estimates these expenditure levels, combined with resources of approximately \$50 million per year in FY 2002, approximately \$40 million per year in 2003 and \$30 million in 2004 will permit the goals of the modified strategy to be met.

We believe there is a good case for providing the proposed AERA levels for the Philippines in FY 2000 and beyond. Responding to the Asian Financial Crisis is our number one priority -- one that cuts across the portfolio -- and without AERA funding, it would be difficult to continue.

Likewise, access to ESF funding will help to strengthen our political leadership in the Philippines, and make it possible to continue our leading role in the efforts to establish peace and stability in Muslim areas of Mindanao, increase assistance to the number of ex-combatants in our Emergency Livelihood Assistance Program (ELAP) demobilization program, and help fight corruption and improve the justice system.

## **F. SPECIFIC STRATEGY MODIFICATIONS**

We request approval of the following specific changes to the Philippines Country Strategic Plan:

- Extension of SO 1 (*Economic Transformation of Mindanao*) from FY 2001 to FY 2003. To further support the peace process in Mindanao, we are increasing the scope of private sector assistance to the Muslim areas, the livelihood program for ex-combatants, and micro-finance sector development. We are also initiating various activities and revising program targets to address the combined effects of the AFC and the *El Nino*-associated drought and crop failure. The policy agenda is broadened to include key issues related to infrastructure development that are inhibiting increased investment nation-wide.
- Revision of SO 2 from “*Improved National Systems for Trade and Investment*” to “*A More Stable and Competitive Economy*” and extension from FY 2001 to FY 2002. To respond to the AFC, we are expanding the approach to give more emphasis to economic governance issues. Thus, we plan to target resources on procurement reform, commercial law, bank supervision, and debt resolution as well as a crosscutting approach to fighting corruption (which is presented in Attachment B of the strategy). SO 2 resources will be available to assist all other SO Teams in addressing policy issues and reforms critical to achieving their sector specific strategic objectives, including inter-governmental finance, energy sector reform, procurement reform, local government budgeting, tax revenue mobilization at the local level, and local government financing schemes.
- Extension of Strategic Objective 3 (*Reduced Fertility Rate and Improved Maternal and Child Health*) FY 2001 to FY 2004. To improve performance we are undertaking a new approach that expands private sector resources to meet the needs of the non-poor while relying on Government to serve the poor population. Primary objectives will be improved program effectiveness, long-term sustainability, and reduced donor dependency.
- Revision of the SpO 1 from “*Rapid Increase of HIV/AIDS Prevented*” to “*Threat of HIV/AIDS and Selected Infectious Diseases is Reduced*” and extension of the SpO from FY 2001 to FY 2004. The successful methodology used to address HIV/AIDS, including surveillance and education, will be adapted to combat the leading infectious diseases affecting urban as well as rural populations, e.g., dengue, malaria and tuberculosis.
- Revision of Strategic Objective 4 from “*Enhanced Management of Renewable Natural Resources*” to “*Improved Environment Management for Long-term Sustainability*” and extension of the SO from FY 2002 to FY 2003. To address the need to preserve biological

diversity and prevent further environmental degradation, we will help communities manage coastal, industrial and forest resources in wider ecological zones, such as watersheds.

- Revision of Strategic Objective 5 from "Reduced Emissions of Greenhouse Gases" to "Reduced Growth of Greenhouse Gases from the Energy Sector". To take advantage of power sector restructuring legislation currently being debated in both houses of Congress, SO 5 will increase its emphasis on power restructuring and privatization, and work with NGOs to strengthen advocacy for energy policy formulation and program implementation.
- Revision of Strategic Objective 6 from "Broadened Participation in Formulation and Implementation of Public Policies in Selected Areas" to "Significant Progress Towards Sustainable, Self-correcting Democratic Governance." Extension of the SO from FY 2001 to FY 2002. To ensure that our successes in participatory local governance have a national impact, we will "roll out" successful participatory methodologies used to address local government problems beyond the pilot areas. We will assist NGOs to participate more effectively in the political process. SO 6 will also work collaboratively with SO 2 on the new anti-corruption initiative.

#### **G. OTHER R4 ISSUES**

**Child Survival Funding.** The Mission has not received the required \$2.6 million in Child Survival and Disease funds for SO 3 (Health) in FY 1999. We plan to use MAI recoveries to cover the shortfall this year. In general, however, we are concerned about spending scarce discretionary MAI resources in an area that normally receives an earmark. Since a significant portion of SO 3's activities relate to child survival, it is essential that the Mission receive CS funds for SO 3 in future FYs.

**Staffing and OE.** It is critical that US\$ OE and staffing for FYs 2000 and 2001 are maintained at the FY 1999 level of \$2.350 million and 16 USDHs, respectively.

**Trust Fund.** Due to budgetary constraints resulting from the crisis, the GOP has reduced the Mission's FY 1999 trust fund allocation by more than 50%. We are currently discussing with the GOP ways to meet future requirements such as using interest earnings from trust funds, proceeds from sales of non-expendable property and other feasible options. Based on various assumptions (i.e., interest and exchange rates), it is estimated that we should have sufficient trust funds until FY 2001. The Mission will provide periodic status updates to ANE.

**Relocation of USAID Office.** Due to security concerns, the Ambassador would like to relocate USAID office operations to the Embassy compound as quickly as possible. The construction, to be funded by USAID, will take between three and five years. During the interim, USAID would stay at the current location with revised security enhancements. This proposed move to the Embassy compound would result in a substantial increase in US\$ OE costs, since most of our current building costs is funded by Peso Trust Funds (more than 50% of our OE). The Mission will provide periodic status updates to USAID/Washington.

**Consolidation of USAID Housing and Leasing Services under the U.S. Embassy.** Under the recent Department of State and USAID reorganization guidance, USAID may have to join the Embassy housing pool and services under ICASS. We are currently discussing viable options to ensure that the most cost-effective services are provided given our budget constraints. Given that our housing and leasing services are currently funded by Peso Trust Funds, this would result in increased US\$ OE costs. The Mission will provide periodic status updates to USAID/Washington.

# USAID/PHILIPPINES OBJECTIVE TREE



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## ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AGILE	Accelerating Growth, Investment, and Liberalization with Equity
AIDS	Acquired Immune Deficiency Syndrome
ALGAS	Asia Least Cost Greenhouse Gas Abatement Strategy Program
APEC	Asia Pacific Economic Cooperation
ARD	Associates in Rural Development
ARMM	Autonomous Region of Muslim Mindanao
ASEAN	Association of Southeast Asian Nations
ASEP	AIDS Surveillance and Education Project (USAID/Philippines Program in Health)
AusAID	Australian Agency for International Development
BCG	Bacillus Calmette-Guerin vaccine for tuberculosis
BOT	Build-Operate-Transfer
BUCEN	U.S. Bureau of the Census
BSP	<i>Bangko Sentral ng Pilipinas</i> (Central Bank of the Philippines)
BSS	Behavioral Surveillance Survey
CADC	Certificate of Ancestral Domain Claims
CARE	Cooperative American Relief Everywhere
CBFM	Community-based Forestry Management
CBFMA	Community-based Forestry Management Agreement
CEPT/AFTA	Common Effective Preferential Tariffs/ASEAN Free Trade Agreement
CFMA	Community Forest Management Agreement
CMDCI	Capital Markets Development Center
CO	Controller Operations
CO <sub>2</sub>	Carbon Dioxide
CPR	Contraceptive Prevalence Rate
CRM	Coastal Resources Management (USAID/Philippines Program in Environment)
CT/EM	Clean Technology/Environmental Management practices
CTRP	Comprehensive Tax Reform Program
CUES	Credit Union Empowerment and Support (USAID/Washington Program in Economic Growth for the Philippines)
DAI	Development Alternatives, Inc.
DENR	Department of Environment and Natural Resources
DHS	Demographic and Health Survey
DILG	Department of Interior and Local Government
DOE	Department of Energy
DOH	Department of Health
DPT	Diphtheria, Pertussis, Typhus vaccine
DSM	Demand Side Management
ELAP	Emergency Livelihood Assistance Program (USAID/Philippines Program in Economic Growth)
ENRAP	Environment and Natural Resources Accounting Project (USAID/Philippines Program in Environment)
EA	Environmental Assessment (EA)
EPA	Environmental Protection Agency
EPR	Effective Protection Rate
ERAP	Energy Resources for the Alleviation of Poverty
EU	European Union
FCSW	Female Commercial Sex Worker
FETP	Field Epidemiology Training Program
FFCSM	Freelance Female Commercial Sex Worker
FIC	Children Fully Immunized
FP	Family Planning



FRM	Forestry Resources Management (USAID/Philippines Program in Environment)
FSN	Foreign Service National
FY	Fiscal Year
GDP	Gross Domestic Product
GEM	Growth with Equity in Mindanao (USAID/Philippines Program in Economic Growth)
GHG	Greenhouse Gases
GMPCS	Global Mobile Personal Communications by Satellite
GOLD	Governance and Local Democracy (USAID/Philippines Program in Democracy)
GOP	Government of the Philippines
HCV	Home Consumption Value
HIV	Human Immuno-deficiency Virus
HSS	HIV Sentinel Surveillance
IEC	Information, Education, and Communication
IEE	Initial Environmental Examination
IFMA	Industrial Forest Management Agreements
IIEC	International Institute for Energy Conservation
IMF	International Monetary Fund
IR	Intermediate Result
IRR	Implementing Rules and Regulations
IUD	Intra-uterine Device
JICA	Japan International Cooperation Agency
LG	Local Government
LPP	LG Performance Program
LSB	Local Special Bodies
MABS-M	Microenterprise Access to Banking Services in Mindanao (USAID/Philippines Program in Economic Growth)
MBI	Market-Based Instrument
MCEI	Municipal Coastal Environmental Initiative (USAID/Philippines Program in Environment)
MCH	Maternal and Child Health
MDP	Mindanao Development Project (USAID/Philippines Program in Economic Growth)
MNLF	Moro National Liberation Front
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MWh	Megawatt-Hour
NCC	National Credit Council
NDS	National Demographic Survey
NEA	National Electrification Administration
NGO	Non-Governmental Organization
NREL	National Reliable Energy Laboratory
NSO	National Statistics Office
OE	Operating Expenses
OECF	Overseas Economic Cooperation Fund
OFDA	Office of Foreign Disaster Assistance
OPAMIN	Office of Presidential Assistant for Mindanao
OTI	Office of Transition Initiative
OYB	Operating Year Budget
PASA	Participating Agency Services Agreement
PCDI	Philippine Central Depository Inc.
PO	People's Organization
POPCOM	Population Commission
POP	Persistent Organic Pollutant

PROFAMILIA	<i>Association Pro-Bien Estar de la Familia</i> (largest non-profit association in Colombia associated with the International Planned Parenthood Federation)
PSBF	Pearl S. Buck Foundation
RBAP	Rural Bankers' Association of the Philippines
RECS	Rural Electric Cooperatives
RFCSW	Registered Female Commercial Sex Worker
RIG	Regional Inspector General
PSC	Personal Service Contractor
RFSW	Registered Female Sex Worker
RMI	Resources Management International
SEC	Securities and Exchange Commission
SME	Small and Medium Scale Enterprises
SO	Strategic Objective
SOAG	Strategic Objective Agreement
SPCPD	Southern Philippines Council for Peace and Development
SpO	Special Objective
STI	Sexually Transmitted Infection
STD	Sexually Transmitted Disease
SZAED	SZOPAD Accelerated Enterprise Development Program (USAID/Philippines Program in Economic Growth)
SZOPAD	Special Zone of Peace and Development
TAF	The Asia Foundation
TCEP	Targeted Crop Expansion Program under GEM
TDY	Temporary Duty
TFR	Total Fertility Rate
ToP	Technology of Participation
TT	Tetanus Toxoid
TT2+	Pregnant Women Immunized Against Tetanus
UNAIDS	United Nations AIDS Program
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
USDH	United States Direct Hire
USAID	United States Agency for International Development
USAEP	U.S. ASEAN Environmental Program
USDOE	U.S. Department of Energy
USG	U.S. Government
WEDPRO	Women's Education, Development, Productivity and Research Organization
VS	Voluntary Sterilization
WOCCU	World Council of Credit Unions
WTO	World Trade Organization

## **PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

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The Philippines is emerging from the financial crisis with sound economic fundamentals and a continued Government commitment to liberal trade and investment policies. Despite weather-related setbacks to agriculture, the economy has shown signs of renewed growth. Politically, while there is renewed debate on opening the economy and reducing economic privileges, the new Administration not only remains strongly growth-oriented but also has taken on major anti-poverty and anti-corruption initiatives. USAID, along with other donors, has helped the Philippines create an environment and capacity to better deal with economic adversity, while beginning to assist efforts to accelerate economic recovery and to put in place more effective pro-poor and economic governance programs.

While the Philippines continued to make progress in a number of areas in 1998, the country became aware of several areas of vulnerability which impact on its long-term development potential. Although the Philippine economy has demonstrated resilience in the wake of the financial crisis, serious weaknesses in financial and corporate governance structures have become apparent. Tax effort has not increased as fast as expected in previous years and in 1998 even dropped. The Asian financial crisis and the weather more adversely affected major agricultural areas like Mindanao, which supplies 40 percent of the country's food needs. While Filipinos appear to have internalized population concerns, use of modern contraceptives remains low. The new Administration also needs to better ensure consistency between its pro-poor initiatives and its continued adherence to economic liberalization. These factors have led USAID to rethink and introduce major modifications to its country strategy beginning in 1999.

The USAID program on the whole was on track with respect to the past year's targets but experienced not surprisingly a number of setbacks. Some strategic and special objectives exceeded targets. Most notable were Strategic Objective (SO) 4 (environment) which significantly exceeded targets in both coastal and forestry areas, and SO6 (democracy) in both local governance and civil society. On the other hand, SO1 (Mindanao economic transformation) was more affected by the financial crisis and by adverse weather conditions, and SO3 (population) reported inadequate progress in modern contraception targets. USAID is proposing revisions to its current strategy, as described in the document, *Modification of the USAID/Philippines Strategic Plan*.

Strategic Objective 1, *Accelerate the Economic Transformation of Mindanao*, did not meet expectations with respect to export generation, new investment, and employment generation targets. Targets in infrastructure development, policy modification, agribusiness development, and microfinance services development were fully attained. Targets related to the transition programs for former MNLF combatants were also fully attained. The failure to meet some targets reflected the combined impact of the financial crisis (which dried up credit and choked off new investment) and *el niño*-associated drought/crop failures. The "hard times" have hit particularly hard in the Muslim areas, and this has contributed to an upsurge of violence in those

areas. To counter the problems, USAID is employing new investment acquisition mechanisms and is expanding programs to help former MNLF combatants become productive farmers. Strategic Objective 2, *Improved National Trade and Investment Systems*, is on track, contributing to further openness of the economy and trade liberalization. However, investment performance and tax effort declined due to slower domestic production growth and reduced imports. SO2 continued to contribute significantly to trade and investment policy reform particularly in facilitating WTO-related reforms implementation, increasing domestic competitiveness, and improving telecommunications and intellectual property rights. SO2 completed major activities in capital markets institutional development and helped restructure microfinance programs and policies for sustainable and increased microenterprise access to financial institutions. SO2 expects to initiate soon new approaches in the fiscal area. To address weaknesses in financial and corporate governance systems, SO2 is initiating assistance for reforms for financial regulation and supervision, institutional development and commercial law.

Strategic Objective 3, *Reduced Fertility Rate and Improved Maternal and Child Health*, achieved further significant progress but did not meet expectations in its fertility and contraceptive use indicators. Its local government (LG) unit performance program (LPP) now covers almost the entire country with a total of 85 LGs, and reported beneficiaries of about seven million married women of reproductive age and 1.5 million children under age one. The Well-Family Midwife Program has demonstrated demand and client willingness to pay for private sector FP/MCH (family planning/maternal and child health) services. The 1998 National Demographic and Health Survey (DHS) indicated achievement of targets for births in high-risk groups but confirmed Mission fears with a reported lower than target modern method contraceptive prevalence rate. Further, the private sector's share of FP services has not increased since 1993. To address these serious problems, USAID is planning to modify the program to increase LG public sector FP/MCH service delivery targeted at the poor, and to develop a new private sector based activity for family planning and reproductive health service delivery.

Special Objective 1, *Rapid Increase of HIV/AIDS Prevented*, is on track. It has met its target of maintaining HIV seroprevalence rates at below three percent among all sentinel groups in all the eight sentinel sites. Prospects that HIV prevalence rates for the target groups will remain below three percent through the year 2000 are good. In 1999, USAID intends to add an infectious disease component, to institutionalize the AIDS surveillance and education program of the GOP and to help control major infectious diseases, including tuberculosis, malaria and dengue.

Strategic Objective 4, *Enhanced Management of Renewable Natural Resources*, has substantially exceeded targets, with national impact in several areas. USAID has helped improve community-based forest management (CBFM) and transferred management control of 535,000 hectares to over 90 upland communities. CBFM is now implemented nationwide with half of the country's remaining forest under community management. SO4 has initiated improved coastline resource management (CRM) in 2,573 kilometers of shoreline, supported by LGs. Public awareness campaigns were phenomenally successful. Integrated CRM efforts have expanded to 39 municipalities and six provinces.

The 1998 performance of Strategic Objective 5, *Reduced Emissions of Greenhouse Gases*, is on track. Results in terms of energy saved or generation avoided through the use of clean fuels and improving energy efficiency were modest, though these efforts are still in their early stages and measurable results take time to achieve. As a result of cumulative assistance, the Mission has laid the groundwork for collaboration with the GOP at a crucial time in the energy sector. Current momentum for passage of the Omnibus Energy Bill is strong, with versions now being debated intensely in both the House and the Senate. This offers an excellent opportunity for USAID to play an increasingly important role in shaping the future of the Philippine energy sector with increased emphasis on power sector restructuring and privatization. The new environment is expected to increase competition and efficiency; lower electricity rates, benefiting business and President Estrada's pro-poor agenda; and help privatize public debt and investment burden, which would alleviate financial crisis concerns.

Strategic Objective 6, *Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas*, exceeded expectations. Local governance achievements include widespread improvement in public service delivery; LGs exploring public-public and public-private partnerships, and innovative revenue sources; and LG leagues coalescing around major development issues. LG revenue collection was 400% over target. Civil society participation in LG bodies exceeded targets by 70% with stronger demonstrated influence on public policy formulation and implementation, strengthening of roles of citizen leaders as decision-makers and spokespersons, and major coalitions significantly expanding their constituents and support groups. Planned 1999 initiatives include counter-recentralization advocacy, justice sector improvement, and effective anti-corruption and public sector transparency approaches. Special Objective 2, *Assistance to Amerasians*, is on track, and facilitated socio-cultural and economic integration of Filipino Amerasians.

USAID's program contributes directly to U.S. national interests and strategic goals in national security, economic prosperity, American citizens and U.S. boarders, democracy, humanitarian response and global issues. USAID contributed directly to the following goals in the 1998 U.S. Mission Performance Plan: (a) open markets – maintain Philippine support for an open trade and investment regime, despite the Asian economic crisis and promote market reforms that strengthen economic growth and provide opportunities for American businesses and workers (SO1, SO2); (b) broad-based growth – promote economic progress that provides rising per capita incomes and reaches lower income families and other marginalized groups (SO1, SO2, SO6); (c) democracy – strengthen constitutional democracy, observance of human rights, and integrity of law enforcement, support government and NGO roles in establishing the Philippines as the region's human rights hub (SO6); (d) humanitarian assistance – reflect American humanitarian values by alleviating suffering during crises and by assisting those afflicted by social marginalization (SO1, SO6); (e) environment – increase Philippine support for U.S. environmental objectives in international fora, reduce environmental degradation and promote conservation of natural resources and diversity (SO4, SO5); and (f) population – reduce annual population growth rate from 2.35 percent in 1990 to 1.93 percent in 2000 and reduce the annual fertility rate from 4.1 in 1991 to 3.1 in 2000 (SO3).

## **PART II. PROGRESS TOWARD OBJECTIVES**

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### **A. SO 1: ACCELERATE THE ECONOMIC TRANSFORMATION OF MINDANAO**

**SUMMARY.** The island of Mindanao constitutes more than a third of the total landmass of the Philippines and is home to about 25% of the people of the country. The island has consistently lagged behind the rest of the country in terms of the economic well-being of its people. Sixteen of the twenty poorest provinces of the country are in Mindanao. Per capita income is only three-fourths that of the rest of the country. The principal reasons for this seem clear. Throughout this century, the island has been essentially a producer of primary products that have been shipped to markets in Manila or Cebu, and a purchaser of processed or finished products. Very little "value-added" has been added in Mindanao. The island has never been physically connected by internal infrastructure and this has largely prevented the emergence of an integrated Mindanao economy. Finally, large parts of the island have been torn by civil war for the best part of the past three decades. This has stymied business growth on the island.

USAID, along with GOP partners and other donor agencies, believes a number of factors have come together recently which will allow the island to enjoy substantial and sustained economic growth and the living standards of its people to approach or even surpass those of the people in the rest of the country. Such a transformation is possible if concerted action is taken to address the factors that have impeded progress in the past. Activities undertaken in pursuit of the SO address those factors. Under intermediate result (IR) 1, expanded participation of Mindanao's lower income groups in productive enterprises, USAID is attempting to significantly expand the participation of Mindanao's marginal farmers, fisherfolk, and microentrepreneurs in the broader economy. Activities under IR1 focus on: linking farmers and fisherfolk to more lucrative markets; bringing in the investment needed to create the jobs needed by these people; and expanding availability of reasonably priced financial services for microentrepreneurs. Under IR2, improved trade and investment in Mindanao, USAID is helping to create a better environment for the growth of investment and business through activities which focus on: facilitating the establishment of needed infrastructure; putting into place a policy environment more conducive to rapid economic growth; and establishing or strengthening effective business support organizations needed for sustained economic progress on the island.

Reflecting the increasing amount of resources that the Mission is focusing on this matter, and its importance, principal activities focused on Mindanao's Muslim community are being consolidated into a new IR (IR3), "Increased Economic Progress of Mindanao's Religious/Cultural Minorities." IR3 activities focus on assisting former Muslim separatist combatants to make the transition from guerilla fighters to productive farmers; and on attracting sizable "transformational" investments into Muslim areas.

**KEY RESULTS.** USAID uses different types of indicators to measure progress. Some attempt to measure the extent to which economic well being in Mindanao is approaching the level of the rest of the country. Some measure Mindanao's progress in certain areas independent of comparison with national performance. Some measure the extent to which specific activities are

producing desired results. The indicators selected to measure 1998 progress are: (a) the total value of higher value products shipped from Mindanao to either foreign or domestic markets; (b) investments generated from USAID-supported investment promotion/acquisition efforts; (c) the number of marginal farm and fishing families initiating commercial-level production of more lucrative products as a result of USAID-supported activities; and (d) the number of microenterprises gaining access to financial services from banks.

**PERFORMANCE AND PROSPECTS.** Good progress has been made toward attainment of the SO since USAID began focusing its economic growth resources on Mindanao in the early 1990s, and especially since it formally adopted its SO1 in 1995. The period has seen sustained increases in annual investment levels, number of jobs, amount of exports, and production of higher value products. It saw the percentage of people living below the poverty line drop from 56% in the early 1990s to 50% in 1997. It has seen a major expansion of public infrastructure. It also has seen a peace agreement reached with the principal Muslim separatist organization on the island, and good progress made in helping former combatants learn to make a living. USAID, in partnership with the GOP and other major donors, has contributed to all those developments.

However, two of the critical assumptions made with respect to the achievement of the SO performance targets at the time of SO initiation have not been borne out. These were: 1) that there would be sustained economic growth at the national level; and 2) that there would not be any more than the "normal" level of natural disasters. The impact of the Asian Financial Crisis and *el niño*, both of which hit Mindanao in 1997 and lasted through 1998, invalidated these assumptions. Because of the impact of these events, **USAID is "Not Meeting Expectations" (i.e., is behind schedule) with regards to several of the performance targets established under IR1. (The SO is on schedule, however, with respect to targets under IRs 2 and 3).** The four indicators selected reflect accurately the mixed progress attained during 1998.

- The total value of higher value products (i.e., all manufactured goods, all processed agricultural goods, all agricultural products except rice, corn, and fresh coconut) shipped from Mindanao to either foreign or domestic markets reached only 70% of the target of \$4.4 billion. This reflects both the impact of the Asian Financial Crisis and the damage that "plantation agriculture" suffered from *el niño*-associated drought.
- Investments generated (from USAID-supported investment promotion/acquisition efforts) were only some 30% of target. This was principally due to the drying up of credit that came with the financial crisis and was reflected in equally dismal employment growth figures.
- The number of marginal farm and fishing families initiating commercial-level production of more lucrative products as a result of USAID-supported activities exceeded target by a substantial margin. While 10,600 families have been targeted, more than 13,000 initiated production, including 2,200 former MNLF combatants through the Emergency Livelihood Assistance Program – ELAP). Although previous studies suggest that annual income of families initiating production of more lucrative crops increases by an average of 164%, it is believed increases will be less this year than in previous years due to the drought's impact.

- The number of microenterprises gaining access to bank financial services exceeded the target. While it had been hoped that a total of nine banks would have added 5,000 microenterprise clients in 1998, the number of new microenterprise clients of these banks grew by 5,400.

**POSSIBLE ADJUSTMENT TO PLANS.** While USAID believes that the approaches followed for the past three years are largely the same approaches that should be followed for the future, it is necessary to make some modifications. The problem of a slowdown in investment (and therefore in new job creation) is possibly the most serious one. To get investment going again, USAID will help create a number of private investment funds that will focus on Mindanao. A special effort also will be mounted to bring in transformational investments (large and very visible investments which can serve as models for other investments) into the Muslim areas of Mindanao. USAID will also try to quickly and dramatically expand the number of banks in Mindanao that are providing services to microenterprises. Finally, in order to help assure continuation of peace between the GOP and the MNLF in the face of the hard times which are hitting the Muslim areas of Mindanao particularly heavily, the assistance provided to former combatants to help them become productive farmers will be expanded significantly.

Mindanao, being the country's principal agricultural producer and exporter, may receive substantial long-term benefits from some of the impacts of the Asian Financial Crisis. The devaluation of the peso that accompanied the crisis will put more pesos in the hands of Mindanao's agricultural exporters (who receive dollars for the goods they ship out). As the integration of downstream processing and marketing activities picks up, Mindanao can become a major engine for the recovery of the national economy. (The GOP's recent announcement that "rural development, principally in Mindanao" will be the linchpin of its medium term development strategy reflects its awareness of Mindanao's role in economic recovery).

**OTHER DONOR PROGRAMS.** Following USAID's lead, major donors all now make Mindanao a major focus. Japan, the World Bank, and the ADB focus most of their assistance on infrastructure and all coordinate with USAID in selecting projects. In the case of the World Bank's small infrastructure fund focused on the Muslim community, USAID collaboration is much greater. In that program, USAID supplies much of the needed engineering design work. USAID also has joined with the principal donors in a Mindanao Working Group, chaired by the UNDP, through which donor activities are discussed and opportunities for cooperation identified.

**MAJOR CONTRACTORS AND GRANTEES.** Louis Berger International Inc. is the principal contractor for the major SO1 program in Mindanao, the Growth with Equity in Mindanao (GEM) Program, and the major GEM subprograms – the Emergency Livelihood Assistance Program (ELAP), and the SZOPAD Accelerated Enterprise Development (SZAED) Program. Chemonics Inc. is the contractor for the Microenterprise Access to Banking Services – Mindanao (MABS-M) Program. The World Council of Credit Unions (WOCCU) supports the Credit Union Empowerment and Support (CUES) Program.



## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ACCELERATE THE ECONOMIC TRANSFORMATION OF MINDANAO  
**APPROVED:** March 30, 1995

<b>SO INDICATOR:</b>	Value of higher value products shipped from Mindanao
<b>UNIT OF MEASURE:</b>	US\$ billion
<b>SOURCE DOCUMENT:</b>	Monitoring records
<b>SOURCE ORGANIZATION:</b>	Contractor (GEM); National Statistics Office (NSO)
<b>INDICATOR DESCRIPTION:</b>	Total value of higher value products (i.e. all manufactured goods, all processed agricultural goods, and all agricultural products except corn, rice, and coconut) increases from the 1991 to 1995 average of \$2.79 billion per year to a total of \$5.2 billion by the year 2000.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1995			2.79
1996	3.70		3.91
1997	4.03		4.00
1998	4.40		3.10
1999	4.80		
2000	5.20		

### COMMENTS:

Planned targets were revised, after review of 1996 domestic trade data. It was discovered that base data inadvertently included trade figures from outside of Mindanao. Revised targets reflect 9% annual growth. Note that real annual growth for the period 1991-95 was 7.6%.

1995 figure assumes an additional 75% due to historical underreporting by the NSO. Prior to 1996, the NSO compiled these statistics in Manila based only upon what was submitted by provincial authorities. In early 1996, the NSO underwent a decentralization where NSO staff was assigned to individual ports/airports. This change greatly improved NSO ability to collect complete data/information and demonstrated that traditionally, these figures had been underreported.

All figures include both domestic and foreign trade. For domestic trade, foreign exchange rates of PhP 26.00, PhP 28.00 and PhP 39.00 to the dollar were assumed for 1996, 1997 and 1998, respectively.

Data for 1998 cover December 1997 to November 1998. The trends in Mindanao foreign export of higher value products follows Mindanao's total exports. The significant decline in value of high value export products was mainly due to the Asian financial crisis and *el niño*, which started in late 1997. Mindanao's (and the rest of the country's) agricultural sector was hard hit by the *el niño* drought.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ACCELERATE THE ECONOMIC TRANSFORMATION OF MINDANAO  
**INTERMEDIATE RESULT:** Expanded Participation of Mindanao's Lower Income Groups in Productive Enterprises  
**APPROVED:** March 30, 1995

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**IR INDICATOR:** Families initiating commercial production of more lucrative products

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**UNIT OF MEASURE:** Annual increase of families initiating commercial production

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**SOURCE DOCUMENT:** Quarterly and Semestral Reports  
**SOURCE ORGANIZATION:** Contractor (GEM)

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**INDICATOR DESCRIPTION:**

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1996			9,300
1997	10,600		7,959
1998	10,600		13,472
1999	10,600		
2000	10,600		
2001	10,600		

**COMMENTS:**

Of the beneficiaries in 1996 through 1998, about 20% were women.

1997 figure includes 1,162 former MNLF combatants and their families who are now growing hybrid corn under the ELAP. There was a slower roll-out of agribusiness projects in 1997 mainly due to the tight credit situation which has resulted in the deferment of investment and/or expansion plans of some enterprises; and the reduced fisheries production due to *el niño*.

1998 figure includes 6,845 beneficiaries of GEM-assisted projects that came on-the-ground in January-December, 1998 – an increase of 2,610 beneficiaries for existing projects since December 1997, 2,156 TCEP beneficiaries, and 2,221 ELAP beneficiaries who are now growing hybrid corn and seaweed. Some of the projects have been seriously affected by the financial crisis and *el niño*, resulting in a slowdown or stoppage of their operations.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ACCELERATE THE ECONOMIC TRANSFORMATION OF MINDANAO  
**INTERMEDIATE RESULT:** Expanded Participation of Mindanao's Lower Income Groups in Productive Enterprises  
**APPROVED:** March 30, 1995

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**IR INDICATOR:** Level of USAID-facilitated private investment per year

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**UNIT OF MEASURE:** US\$ million

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**SOURCE DOCUMENT:** Project monitoring forms and reports  
**SOURCE ORGANIZATION:** Contractor (GEM)

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1995			30
1996	300		292
1997	300		247
1998	300		88
1999	300		
2000	300		
2001	300		

### COMMENTS:

Actual figures are only for those investments that are "on-the-ground". In addition to these investments, there is another \$445 million in active investment "commitments" up to December 1998.

"On-the-ground" investment consists of the total value of projects that have been initiated. It should be noted that the total value of the project(s) is reported even though this investment will be made incremental over several years.

Investment "commitments" are defined as the total value of projects that have begun the project cycle (MOU, MOA, etc.). USAID experience in investment facilitation suggests that roughly 50% of investment "commitments" lead to "on-the-ground" projects.

An exchange rate of 26 pesos = 1US\$ was used to convert 1996 peso investments into dollar terms.

An exchange rate of 28 pesos = 1 US\$ (average GEM/USAID rate for 1997) and 39 pesos = 1US\$ (average GEM/USAID rate for January – December 1998) was used to convert peso investments into dollar terms for 1997 and 1998, respectively. The peso devaluation has further reduced the dollar equivalent of total investments.

The lower actual investment in 1997 is due to the deferment of planned investments and/or deferred expansion of enterprises under the prevailing tight credit/high interest rate situation. Concern about *el niño* also negatively affected investments in the fisheries and agricultural sectors.

Investment in 1998, particularly for larger projects, continued to be affected by the prevailing depressed economic situation and *el niño*. While a significant number of projects came on-the-ground, their investment level was generally lower than in previous years.

## PERFORMANCE DATA TABLE

<b>ORGANIZATION/PROGRAM:</b>		USAID PHILIPPINES	
<b>STRATEGIC OBJECTIVE:</b>		ACCELERATE THE ECONOMIC TRANSFORMATION OF MINDANAO	
<b>INTERMEDIATE RESULT:</b>		Expansion of Financial Services Provided to Microenterprises and Small Producers	
<b>APPROVED:</b>		March 30, 1995	
<b>IR INDICATOR:</b>		Microenterprises and small producers receiving financial services from formal institutions (depositors and borrowers)	
<b>UNIT OF MEASURE:</b>		Number of microenterprises and small producers receiving financial services from formal institutions (depositors and borrowers)	
<b>SOURCE DOCUMENT:</b>		Rural bank records, project monitoring forms and reports	
<b>SOURCE ORGANIZATION:</b>		Rural Bankers Association of the Philippines, Contractor (MABS-M)	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1995			2,000
1996	2,000		2,000
1997	3,000		2,000
1998	5,000		5,400
1999	8,000		
2000	12,000		

### COMMENTS:

A "microenterprise" is defined as a business operation with ten or fewer employees accessing a formal financial institution with either an initial deposit of less than PhP1,000 or obtaining an uncollateralized initial loan of less than PhP30,000.

In 1997, RBAP estimates no substantial change in the number of microenterprise borrowers.

The 1998 actual figure is derived by multiplying the total nine banks offering microfinance by a conservative estimate of 600 microentrepreneurs per bank. (Figures include principal banks plus branches.)

## **B. SO 2: IMPROVED NATIONAL SYSTEMS FOR TRADE AND INVESTMENT**

**SUMMARY.** SO2's goal is to create jobs and reduce poverty in the Philippines. The strategy focuses on opening the economy to expanded trade and investment through liberalizing sectoral policies, improving financial markets, and improving mobilization and allocation of fiscal resources. To liberalize trade and investment, USAID is promoting the reduction of tariffs and other barriers to international trade, as well as increased competition in domestic industries, such as transportation and communications. To stabilize and improve the efficiency of financial markets, a key priority in the wake of the financial crisis, USAID is strengthening prudential oversight in the banking sector and capital markets, promoting institutional development in the securities markets, and supporting reforms to accelerate corporate restructuring. To improve the mobilization and allocation of fiscal resources, USAID is supporting improvement of tax policy and tax administration, as well as rationalization of intergovernmental finance. The ultimate beneficiaries of this program are an estimated 10 million unemployed and underemployed Filipino workers; Filipino consumers, who benefit from lower prices and greater selection of goods and services; Filipinos below the poverty line (GOP estimate of 37.5 percent of the population in 1997); and U.S. and other foreign firms who trade with the Philippines.

**KEY RESULTS.** Four targets are used to gauge progress towards SO2's goal: an increase in the ratio of gross domestic capital formation to GDP, from 24 percent in 1994 to 30 percent in 2001; an increase in the ratio of total exports and imports to GDP, from an average of 74 percent during 1989-94 to 92 percent in 2001; an increase in the ratio of tax revenue to GDP, from 16 percent in 1994 to 23 percent in 2001; and increasing openness to trade as measured by a decline in the average effective protection rate (EPR), from 31 percent in 1994 to 13 percent in 2001.

**PERFORMANCE AND PROSPECTS.** The Philippines' trade and investment regime has become increasingly open and liberalized in the 1990s. As a result, economic growth before the regional crisis was rapid and the rate of poverty was decreasing by about one percentage point per year. Under the new GOP administration that took office in 1998, the Government has continued to liberalize economic policies and to pursue improvements in the administration of fiscal institutions and financial markets. Reform efforts have paid off, as in the Philippines, unlike in other crisis-affected countries, economic contraction was avoided in 1998.

**Past Year Performance.** Overall SO2 performance in 1998 was on track, as two of the four indicators exceeded targets, while the other two fell below target mainly as a result of external events (the Asian Financial Crisis). Due to a doubling of interest rates and drastic reductions in international loans, the volatile ratio of gross domestic capital formation to GDP fell from 26.6 percent in 1997 to 21.9 percent in 1998. The slowdown in growth and a 17 percent decline in imports reduced tax revenues from 16.8 percent of GDP to 15.5 percent. However, exports continued to rise and Philippine banks and firms continued to service debts normally. Thus, the trade openness indicator continued to be substantially better than targeted. Despite some upward adjustments in tariffs, the GOP simplified the tariff schedule and reduced the estimated effective protection rate from 21.3 percent to 19 percent, also bettering the target for 1998.

To further liberalize trade and investment policies, USAID assisted in addressing industry concerns to ensure continued implementation of WTO commitments; initiated implementation of an import valuation system based on the WTO-standard transactions value method; facilitated entry of Global Mobile Personal Communications by Satellite (GMPCS), a technology dominated by U.S. firms; supported implementation of intellectual property legislation; and supported analysis and advocacy of policy reforms in areas such as domestic competition policy and external competitiveness, the energy sector, and agricultural trade issues including liberalization of sugar trading.

In financial markets improvement, USAID continued its advocacy and legislative review assistance for the proposed Securities Act and the Revised Investment Company Act. The Philippine Central Depository, Inc. became fully operational, and the Capital Markets Development Center, Inc. (CMDCI), a self-sustaining training organization for capital market participants, was incorporated and also became fully operational. To help restructure GOP microfinance programs and policy, and ensure sustainable and increased microenterprise access to the formal financial sector, SO2 assisted the National Credit Council (NCC) in designing programs to phase out directed credit in agriculture. SO2 assisted the central bank (BSP) to improve its capacity to deal with new financial instruments for risk management.

To improve fiscal resource mobilization and allocation, USAID helped reform regulations on fringe benefits, the corporate income tax, and foreign currency deposits. USAID also assisted in setting up a taxpayer delinquency inquiry program in three important tax revenue districts, an enhanced collection program for delinquent accounts in 85 percent of Metro Manila's revenue districts, more productive audit programs, and computerized audits in regional offices in Luzon, Visayas and Mindanao. However, tax administration still needs to become much more efficient and transparent. In addition, the incentives for local governments to collect tax revenues are very weak in the current system of intergovernmental finance. Overall revenue performance remains inadequate.

**Expected Performance in 1999.** After a year of no growth, increased unemployment, and increased poverty, SO2's goal in 1999 is to contribute to an economic recovery. For next year's overall indicators, SO2 will replace the tax effort indicator and the trade openness indicator with two new ones: the ratio of domestic taxes to GDP and the growth rate of formal private-sector employment by gender.

For expected major activities, under Fiscal Resource Mobilization and Allocation Improved, SO2 plans to help reduce or eliminate gross receipts tax and documentary stamp tax; to increase effectiveness of tax administration system for customs, internal revenue, and local governments; to enhance the Department of Finance's capabilities for management, decision making, and formulation of fiscal reforms; to institutionalize a transparent, participatory, and effective budgeting system; and to promote better targeting of fiscal transfers and improved revenue-raising incentives at the local level.

Under Trade and Investment Policies Liberalized, SO2 will continue to help implement WTO commitments in line with APEC and ASEAN initiatives; introduce legislation on increasing competition in port services; support further progress in defining and enforcing intellectual property rights; help (along with SO5) enact and implement the power industry restructuring; support progress on interconnection and convergence to further open the telecommunications sector to competition and new investment; develop a legal framework for electronic commerce; and improve the BOT process.

Under Financial Markets Improved, SO2 will support advocacy for passage, and help implement, the proposed Securities Act and the Revised Investment Company Act; restructure credit programs and improve policies affecting the provision of financial services to lower income groups; complete GOP accession to the WTO Financial Services Agreement; enhance the SEC's bankruptcy oversight practices; enhance the prudential regulation and monitoring capability of the BSP over banks and other financial institutions; support planning for reforms in public and private pension systems; rationalize and strengthen the institutional and regulatory structure of the insurance and pre-need industries; and promote the development of transparent debt markets.

**POSSIBLE ADJUSTMENT TO PLANS.** The financial crisis revealed substantial weaknesses in financial and corporate governance systems, highlighting the importance of reforms in financial regulatory oversight, institutional development, and core commercial laws. To address these concerns, SO2 will introduce a new intermediate result under the proposed revision of the country strategy and will refocus activities within its implementation mechanisms. The intermediate results for fiscal resource mobilization and allocation improved and financial markets improved are proposed to be merged. Under this merged intermediate result, SO2 will engage senior Government policy makers to develop a strategy for making USAID's assistance more effective in addressing weak tax administration, the second key vulnerability identified in the wake of the crisis.

**OTHER DONOR PROGRAMS.** In response to the Asian Financial Crisis, the Government of Japan, the IMF, the World Bank, and the ADB have provided a large package of balance-of-payments financing of over \$2 billion, which supports the Philippines' macroeconomic and sectoral adjustment program. These donors also supply a small amount of technical assistance, both in-kind and through consultants. However, USAID is the principal single source of financing of targeted technical assistance for design, advocacy, and -- most importantly -- implementation of economic policy reform. USAID works closely with other donors to ensure that our work complements the structural adjustment framework agreed to between the GOP and the multilateral donors. Private business and trade groups also contribute to this effort, in the form of studies, workshops and advocacy efforts.

**MAJOR CONTRACTORS AND GRANTEES.** SO2's activities in 1998 were implemented through contracts with the U.S. Internal Revenue Service; the U.S. Bureau of Census; Development Alternatives, Inc.; the Harvard Institute for International Development; PriceWaterhouse-Coopers; The Asia Foundation (TAF); the Inter-American Management Consultancy Corporation; and the Barents Group; as well as through grants with local NGOs.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** IMPROVED NATIONAL SYSTEMS FOR TRADE AND INVESTMENT  
**APPROVED:** March 30, 1995

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**SO INDICATOR:** Gross capital formation

---

**UNIT OF MEASURE:** Ratio of gross domestic capital formation to gross domestic product (%)

---

**SOURCE DOCUMENT:** National Income Accounts

**SOURCE ORGANIZATION:** National Statistics Coordination Board

---

**INDICATOR DESCRIPTION:** Annual data collection with two months' lag

---

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
<hr/>			
1994			24.1
1995	25.0		22.2
1996	25.0		24.9
1997	26.0		26.3
1998	27.0		21.9
1999	28.0		
2000	28.0		
2001	30.0		

**COMMENTS:**

\* Assumptions: continuing government commitment to policy and institutional reforms; stability in government monetary policy; no major political disruptions at the national level.



## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** IMPROVED NATIONAL SYSTEMS FOR TRADE AND INVESTMENT  
**APPROVED:** March 30, 1995

---

**SO INDICATOR:** Openness of the Philippine economy

---

**UNIT OF MEASURE:** Ratio of total exports plus imports to gross domestic product (%)

---

**SOURCE DOCUMENT:** National Income Accounts

**SOURCE ORGANIZATION:** National Statistics Coordination Board

---

**INDICATOR DESCRIPTION:** Annual data collection with two months' time lag

---

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
<hr/>			
1994			74
1995	79		80
1996	81		98
1997	84		116
1998	86		104
1999	88		
2000	90		
2001	92		

**COMMENTS:**

Assumptions: no further retrenchment in trade liberalization policies reforms; no major political disruptions at the national level.

A decline in imports of consumption and investment goods in 1998 due to the Asian financial crisis more than offset the continued expansion in exports.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** IMPROVED NATIONAL SYSTEMS FOR TRADE AND INVESTMENT  
**APPROVED:** March 30, 1995

---

**SO INDICATOR:** Tax revenues

---

**UNIT OF MEASURE:** Ratio of tax revenues to gross domestic product (%)

---

**SOURCE DOCUMENT:** Department of Finance; National Income Accounts  
**SOURCE ORGANIZATION:** National Statistics Coordination Board

---

**INDICATOR DESCRIPTION:** Annual data collection with two months' time lag

---

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
<hr/>			
1994			16.0
1995	17.5		16.3
1996	18.0		16.8
1997	18.5		16.8
1998	19.0		15.5
1999	20.0		
2000	22.0		
2001	23.0		

**COMMENTS:**

Assumptions: continuing government commitment to fiscal reform; no major political disruptions at the national level.

The 1998 performance is in large part due to the drop in imports and the virtually flat growth of domestic production activities.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** IMPROVED NATIONAL SYSTEMS FOR TRADE AND INVESTMENT  
**INTERMEDIATE RESULT:** Trade and Investment Policies Liberalized  
**APPROVED:** March 30, 1995

<b>IR INDICATOR:</b>		Level of trade protection	
<b>UNIT OF MEASURE:</b>		Effective protection rate (EPR)	
<b>SOURCE ORGANIZATION:</b>		Philippine Tariff Commission or USAID-commissioned study	
<b>INDICATOR DESCRIPTION:</b>		EPR is the increment in value-added made possible by the tariff structure as a proportion of free trade value-added (percent).	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1994			31.0
1995	29.0		29.8
1996	27.0		22.7
1997	24.0		21.3
1998	21.0		19.0
1999	18.0		
2000	15.0		
2001	13.0		

### COMMENTS:

Assumption: Government implementation of tariff reform and liberalization programs.

The actual measure used is the EPR average for all sectors using the price comparison method to take into account the effect of both tariffs and quotas.

Based on estimates for a USAID-commissioned study by Dr. Rosario Manasan of the Philippine Institute for Development Studies as of January 1999.

### C. SO 3: REDUCED FERTILITY RATE AND IMPROVED MATERNAL AND CHILD HEALTH

**SUMMARY.** The Philippines population will double in size by 2030 should the current 2.32% annual population growth rate continue into the future. Under this scenario, the equivalent of 58% of the current population of the United States will live on 3% of its land area. This demographic situation will have grave consequences for the Philippines' economic growth, social welfare, and environment. Because the population growth rate is largely fueled by high fertility, the Mission will continue its focus on the current strategic objective to reduce the fertility rate and improve maternal and child health. This focus takes on added urgency given the economic downturn caused by the Asia Financial Crisis.

In the R4 last year, the Mission raised the alert that the FP-MCH program had started to lag behind expectations and that the current approved strategy may have to be modified, based on the results of the 1998 National Demographic and Health Survey (DHS). The 1998 DHS and independent assessments of the SO confirmed this lack of progress. A modification of the current strategy is therefore in order. This modified strategy will have two major components: (1) a decentralized public-sector program that targets the one-third of the country's population that is poor; and (2) a private-sector program modeled after Colombia's successful PROFAMILIA experience that targets the non-poor. Both the public and private sector programs will provide accessible, integrated, high-quality, affordable, and sustainable services to their clients. Approximately 10.9 million women and two million children under age one are the direct beneficiaries of the programs supported under this SO.

**KEY RESULTS.** The four indicators selected to demonstrate SO progress are: (1) the percent of married women of reproductive age using modern method contraceptives; (2) the percent of births in high-risk groups; (3) the percent of fully-immunized children by 12 months of age; and (4) the percent of infants whose mothers received tetanus toxoid vaccinations during pregnancy.

**PERFORMANCE AND PROSPECTS. Results in 1998 did not meet expectations.** USAID will not reach its 2000 target for two of the four FP-MCH indicators selected to gauge performance during the reporting period.

Summary Performance Table				
SO-Level Indicator (in Percents)	1993 (Baseline)	1998		2000 Target
		Planned	Actual	
Contraceptive Prevalence Rate (Modern Methods)	25.2	32.7	28.2	35.7
Births in High-Risk Groups	62.4	58.0	56.9	56.0
Children Fully Immunized (FIC)	90.0	90.0	89.8* [65.3**]	90.0 [68+]
Newborns Protected Against Tetanus (TT2+)	70.0	77.0	52.2* [37.8**]	80.0 [42+]

Note: Department of Health Service Statistics (1997); \*\* 1998 Demographic and Health Survey; +Revised targets based on the findings from the 1998 DHS.

The public-sector program is the major provider of FP-MCH services in the Philippines. It

furnished 73% of the FP services in 1998, a number that has remained stable during the previous five years. Even though the GOP has been successful in making contraceptives widely available, it has not been able to aggressively promote FP because of Church claims that the GOP is forcing FP on unwilling clients. Church influence is also reflected in the low TT2+ rate, because earlier in the decade Church-affiliated groups claimed that the TT vaccine acted as an abortifacient. High discontinuation is yet another reason for relatively low use of modern methods, with women citing fear of side-effects and health concerns as major reasons for discontinuing. Rumors and misconceptions about contraceptives are common, reflecting deficient education and counseling. With almost three-quarters of FP clients using free public-sector contraceptives, there has also been little incentive for commercial firms to enter this area.

USAID achieved its high-risk birth reduction target, which suggests that women better understand the benefits of having smaller numbers of appropriately-spaced children during their prime child-bearing years. USAID also met its child immunization target, as measured by DOH service statistics.

SO3 will retain the current four indicators in the 1999 R4 but proposes to use DHS and FP-MCH Rider Survey data, rather than DOH service statistics data, for the FIC and TT2+ rates. Population-based surveys, such as the DHS and Rider Surveys, yield more accurate information than service statistics and are now available on an annual basis.

USAID's contribution to the national program to date has centered on strengthening the provision of both public and private sector FP-MCH services. In addition, it remains the sole supplier of pills, condoms, injectables, and IUDs for the public-sector FP program. The Local Government (LG) Unit Performance Program (LPP) is USAID's flagship program to support decentralization and to bolster the public sector at the local level. LPP supports improved local capacity for planning and implementing FP-MCH programs through training, staff and systems development. The number of LPP LGs that reached their target benchmarks climbed from 28 in 1995 to 66 in 1998. These 66 LGs cover 74.2 percent of the entire population. Seven million married women of reproductive age and 1.5 million children under age one were LPP's beneficiaries in 1998, an increase of 4 million women and 900,000 children from 1995. During 1998, LPP enrolled 19 new LGs, thus bringing the total coverage of the program up to 84% of the country.

A 1998 DHS analysis of the first 46 LGs entering LPP suggests that the program has been successful during its four years of operation. These LGs had a 29% higher Modern Method CPR and a 15% higher fully-immunized child rate than non-LPP LGs. USAID's successful Well-Family Midwife Clinic Program shows that there is a demand for private sector FP-MCH services and that clients are willing to pay for them. The number of midwife owned and operated clinics in this program more than doubled from 90 in 1997 to 190 in 1998. Service delivery per clinic also increased from October 1997 to October 1998. During this period, Couple Years of Protection (a measure of contraceptive distribution) provided per clinic per month rose from 33 to 37 (12%) and MCH services provided per clinic per month rose from 167 to 220 (32%).

**POSSIBLE ADJUSTMENT TO PLANS.** A change in the current program is required for four major reasons: (1) Findings from the 1998 DHS show that the program is not performing according to expectation and the year 2000 goals will not be met. (2) The Asian Financial Crisis has triggered a reduction in government health budget expenditures and an increase in drug and private sector contraceptive prices. (3) Three program assessments supported a Mission focus on strengthening decentralized public-sector FP-MCH and expanding private sector FP-MCH promotion and service delivery. (On the basis of this assessment, the Contraceptive Social Marketing Program was dropped because of poor performance.) (4) Following the election of President Estrada in June 1998, new leadership in the DOH supports increased decentralization, integrated FP-MCH service delivery, public sector service delivery to the poor, and private sector service delivery to the non-poor.

USAID's modified strategy will increase local government (LG) impact and sustainability. The focus will be on the poor. LPP will provide technical assistance and grants to LGs for commodities and services aimed at the poor. Its reach will become nationwide by expanding its operations to a total of 95 LGs and 67 municipalities of over 100,000 population. In addition, USAID will support the establishment of a private sector initiative based on the successful experience of PROFAMILIA in Colombia. This initiative will provide quality and affordable integrated FP-MCH services to clients able to pay for them. Both the National Economic Development Authority (NEDA) and the DOH strongly endorse this initiative. UNFPA and other donors have already pledged funding support for this new approach.

USAID is optimistic that this approach will boost impact and sustainability quickly. As an indication of private-sector demand, 66% of clients who visit free public-sector FP facilities were willing to pay for their services. With an expanded private sector, scarce government resources can be targeted to benefit the poor. During the strategy period, USAID will reduce its funding for the LPP while the DOH and LGs assume a progressively increasing share. Likewise, the new PROFAMILIA-type of organization will establish promotional and service delivery strategies to attract paying clients.

**OTHER DONOR PROGRAMS.** While USAID remains the largest donor to the National FP Program, other donors also made significant contributions. In 1995-99, UNFPA contributed about \$25 million to strengthen public- and private-sector reproductive health at national and local government levels and with selected NGOs. A combined World Bank and bilateral donor agency loan/grant supports a five-year \$120 million Women's Health and Safe Motherhood Project which complements USAID's FP and reproductive health approach. The DOH, as an indication of its support for FP, increased the Family Planning Service budget by 50% in 1998 over the 1997 allocation and has committed to a 50% annual increase up to year 2000.

**MAJOR CONTRACTORS AND GRANTEES.** USAID implements activities through the Department of Health, the Commission on Population, local government, and NGOs. Major contractors include Management Sciences for Health, John Snow, Inc., the Futures Group, Johns Hopkins University, the Population Council, the Association for Voluntary Surgical Contraception, Macro International, and the U.S. Bureau of the Census.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED FERTILITY RATE AND IMPROVED MATERNAL AND CHILD HEALTH  
**APPROVED:** March 30, 1995

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**SO INDICATOR:** Contraceptive prevalence rate (modern methods)

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**UNIT OF MEASURE:** Married women of reproductive age using a modern method of contraception

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**SOURCE DOCUMENT:** National Demographic and Health Survey (DHS); FP "Rider" to the Labor Force Survey

**SOURCE ORGANIZATION:** Macro International (DHS); National Statistics Office (NSO) (FP Rider Survey)

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**INDICATOR DESCRIPTION:** This is a national rate.

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			25.2
1995	28.2		25.7
1996	29.7		30.2
1997	31.2		30.9
1998	32.7		28.2
1999	29		
2000	30		
2001	32		

### COMMENTS:

The 1993 baseline and the 1998 Modern Method CPR are from the Demographic and Health Survey (DHS). Subsequent rates will be from the annual Family Planning (FP) Rider Survey of the NSO, with the exception of the 2003 rate which will be obtained from the DHS. The 1997 FPS Survey occurred nine months after the 1996 FPS Survey.

The 1995 final FP Survey adjusted for age distribution but made no adjustment for the methodological problem of voluntary sterilization underreporting. A separate BUCEN estimate, using alternate adjustment techniques to correct for this indicated a modern method rate of 28.5%. The 1993 DHS baseline of 25.2% included modern family planning methods, a 0.3% increase over the original presentation of the baseline of 24.9%.

The 1993 DHS baseline and 1995 and 1996 FP Surveys categorized "natural family planning" into one group, whereas the 1997 FP Survey and the 1998 DHS disaggregated NFP into its various methods (mucus/Billings/ovulation; temperature; and lactational amenorrhea).

Frequency of data collection: DHS conducted every 5 years; FP Rider Survey conducted annually.

## PERFORMANCE DATA TABLE

<b>ORGANIZATION/PROGRAM:</b>	USAID PHILIPPINES
<b>STRATEGIC OBJECTIVE:</b>	REDUCED FERTILITY RATE AND IMPROVED MATERNAL AND CHILD HEALTH
<b>APPROVED:</b>	March 30, 1995
<b>SO INDICATOR:</b>	Percent of births in high-risk groups
<b>UNIT OF MEASURE:</b>	Percent of births to women in various high-risk categories
<b>SOURCE DOCUMENT:</b>	National Demographic and Health Survey (DHS); FP "Rider" to Labor Force Survey
<b>SOURCE ORGANIZATION:</b>	Macro International (DHS); National Statistics Office (NSO) (FP Rider Survey)
<b>INDICATOR DESCRIPTION:</b>	Percent of births to women who are 35 years or over, under age 18, who had a child in last two years, or who have had more than three children. This is a national rate.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			62.4
1995	61		60.5
1996	60		59.2
1997	59		56.2
1998	58		57.0
1999	56		
2000	55		
2001	54		

### COMMENTS:

The 1993 baseline and the 1998 rate are from the National Demographic and Health Survey (DHS). Subsequent rates will be from the annual Family Planning (FP) Rider Survey of the NSO, with the exception of the 2003 rate which will be obtained from the DHS. The 1997 FPS Survey occurred nine months after the 1996 FPS Survey.

The 1993 and 1998 DHS rates include births during the five-year period preceding the survey. The FP Rider Surveys include births during the twelve-month period preceding the survey. A trend of declining high-risk births would make the DHS rates more conservative.

Frequency of data collection: DHS conducted every 5 years; FP Rider Survey conducted annually.



## PERFORMANCE DATA TABLE

<b>ORGANIZATION/PROGRAM:</b>	USAID PHILIPPINES
<b>STRATEGIC OBJECTIVE:</b>	REDUCED FERTILITY RATE AND IMPROVED MATERNAL AND CHILD HEALTH
<b>INTERMEDIATE RESULT:</b>	Percent of children fully immunized (FIC)
<b>APPROVED:</b>	March 30, 1995
<b>IR INDICATOR:</b>	Percent of children by 12 months of age who have been vaccinated
<b>UNIT OF MEASURE:</b>	Percent of infants, 12-23 months of age, who have been vaccinated by 12 months of age
<b>SOURCE DOCUMENT:</b>	National Demographic and Health Survey; MCH Rider Survey
<b>SOURCE ORGANIZATION:</b>	Macro International (DHS); National Statistics Office (NSO) (MCH Rider Survey)
<b>INDICATOR DESCRIPTION:</b>	"Vaccinated" means three injections for polio and DPT and one injection for both measles and BCG. This is a national rate.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			90.9
1994	90		88.4
1995	90		86.4
1996	90		90.6
1997	90		89.8
1998	90		65.3
1999	67		
2000	68		
2001	69		

### COMMENTS:

Because the MCH Rider Surveys only began collecting fully-immunized rates for children (FIC) in 1997, data from the Department of Health service statistics were used up to that time. (1998 DOH service statistics have not yet been released.) These service statistics may have been inflated for a number of reasons, the most important of which are probably a misestimation of the total number of children up to 12 months of age in the coverage areas, and age misreporting among the children being immunized. The first error would reduce the size of the denominator and the second error would raise the size of the numerator. The MCH Rider Surveys now include questions on FIC. Starting in 1998, therefore, data from population-based surveys (the DHS and MCH Rider Surveys) will be used to report on FIC.

The 1993 NDS indicated a 61.9% FIC for children 12-23 months who were vaccinated by 12 months of age. The comparable rate from the 1997 MCH Survey was 58.2%.

The 1993 baseline and the 1998 rate are from the National Demographic and Health Surveys (DHS). Subsequent rates will be from the annual Maternal and Child Health (MCH) Rider Survey of the NSO, with the exception of the 2003 rate which will be obtained from the DHS.

Frequency of data collection: DHS conducted every 5 years; MCH Rider Survey conducted annually.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED FERTILITY RATE AND IMPROVED MATERNAL AND CHILD HEALTH  
**INTERMEDIATE RESULT:** Increased Public Sector Provision of FP/MCH Services  
**APPROVED:**

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**IR INDICATOR:** Percent of newborns by two or more tetanus toxoid injections given to the mother during pregnancy

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**UNIT OF MEASURE:** Percent of newborns by two or more tetanus toxoid injections given to the mother during pregnancy

---

**SOURCE DOCUMENT:** National Demographic and Health Survey; MCH "Rider" Survey  
**SOURCE ORGANIZATION:** Macro International (DHS); National Statistics Office (NSO) (MCH Rider Survey)

---

**INDICATOR DESCRIPTION:** This is a national estimate.

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			70.0
1994	71.4		69.3
1995	72.8		57.6
1996	74.2		47.0
1997	75.6		52.2
1998	77		37.8
1999	40		
2000	42		
2001	44		

### COMMENTS:

Because the MCH Rider Surveys only began collecting TT2+ rates in 1997, data from the Department of Health service statistics were used up to that time. (1998 DOH service statistics have not yet been released.) The DOH rate focused on protection of the mother rather than on protection of the child. Because the intention of the indicator is to measure impact on neonatal mortality reduction, the proper focus should be on the newborn infant rather than the mother. The DOH rate was most likely inflated because of misestimation of the number of pregnant women in the coverage areas. The MCH Rider Surveys now include questions on TT2+. Starting in 1998, therefore, data from population-based surveys (the DHS and MCH Rider Surveys) will be used to report on TT2+.

The 1993 DHS indicated that 42.2% of newborns in the last five years had mothers who received two or more tetanus toxoid vaccination doses during pregnancy. The comparable rate from the 1997 MCH Survey was 36.1% of newborns in the last three years. The DHS focuses on live births in the five years preceding the survey, while the MCH Rider Survey focuses on live births in the three years preceding the survey. The differences should not be significant.

The 1993 baseline and the 1998 rate are from the National Demographic and Health Surveys (DHS). Subsequent rates will be from the annual Maternal and Child Health (MCH) Rider Surveys of the NSO, with the exception of the 2003 rate which will be obtained from the DHS.

Frequency of data collection: DHS conducted every 5 years; MCH Rider Survey conducted annually.

## **D. SpO 1: RAPID INCREASE OF HIV/AIDS PREVENTED**

**SUMMARY.** The goal of the Special Objective (SpO) is to prevent the rapid spread of HIV/AIDS in the Philippines. The year 1998 marked yet another successful year in combating HIV/AIDS, with no increase in HIV prevalence reported from the National HIV sentinel surveillance. However, infectious diseases continue to be the leading cause of morbidity and mortality in the Philippines. The prevention and control of infectious diseases of major public health importance (tuberculosis, malaria, and dengue) has become a key goal for the Department of Health.

Consequently, SpO1 will be modified in FY 1999 to enlarge the scope from AIDS to other selected infectious diseases of major public health importance. In response to the dengue epidemic and the emergence of resistant varieties of tuberculosis and malaria in epidemic proportions, the GOP and USAID have, in close cooperation the U.S. Centers for Disease Control, developed a new Intermediate Result (IR) which will be implemented beginning in FY 1999. This new component responds to the Infectious Diseases earmark by the Congress and complements the Agency's Global Infectious Diseases Strategy and the Mission's ongoing HIV/AIDS surveillance activities.

Direct beneficiaries of the HIV/AIDS activities are women and men who engage in high-risk sex behaviors. Indirect beneficiaries are the general population of the Philippines who will face lower risk of contracting AIDS. Direct beneficiaries of the infectious disease activities are the entire population at risk of infectious diseases, especially children under five years that are most vulnerable to infectious diseases.

**KEY RESULTS.** The key results to achieve this special objective include 1) improving the knowledge, attitude and practice of safe sex behaviors among the high risk groups, especially the commercial sex workers and injecting drug users, and 2) strengthening and establishing HIV/AIDS surveillance at selected major cities. For the new infectious disease component the results proposed include 1) establishing effective communication linkage between epidemiological surveillance systems and 2) strengthening service delivery capacity of the local government units.

**PERFORMANCE AND PROSPECTS.** **The SpO is on track.** All targets for 1998 have been met, as shown in the table below.

HIV seroprevalence rates remain below 3% among the sentinel group (i.e., registered female commercial sex workers) in all of the 8 HIV sentinel surveillance sites as shown by data from the National HIV Sentinel Surveillance. In addition, passive data from the HIV/AIDS Registry of the National HIV/AIDS/STD Prevention and Control Program continue to indicate low HIV prevalence in the Philippines (1,168 total HIV/AIDS, 362 AIDS as of December 1998). These data indicate that HIV/AIDS remain low and spreading slowly in the Philippines. At the IR level, there is increasing trend in the rates reported for consistent condom usage among sentinel groups although the rates reported in 1998 were essentially at similar levels compared to those of the previous year. The 1997 and 1998 data for consistent condom use are from the Behavioral

Sentinel Surveillance (BSS) conducted beginning in 1997. BSS data were determined to be better measurement indicators than behavioral data obtained from HIV Sentinel Surveillance which has provided data reported during previous years. Hence, subsequent behavioral data indicators will be from the BSS.

SpO Indicator	1993	1997	1998	
	Baseline	Actual	Planned	Actual
No. of HSS sites where RFCSW HIV prevalence rates remain less than 3%	<3% in 2/2 sites	<3% in 8/8 sites	<3% in 8/8 sites	<3% in 8/8 sites
“Consistent condom use” by Risk Groups:				
RFCSWs	32%	48%	>46%	46%
FFCSWs	14%	28%	>32%	34%

Source: National HIV Sentinel Surveillance and Behavioral Sentinel Surveillance

\*Actual data for “consistent condom use” are from the National Behavioral Sentinel Surveillance (BSS)

Our AIDS Surveillance and Education Program (ASEP) activities have made it possible for the Philippines to continue to remain a low prevalence country through early and effective targeting of HIV prevention interventions to high-risk groups. ASEP continues to support the efforts of NGOs and PVOs skilled in reaching people practicing high-risk behaviors and improve sexually transmitted infections (STI) care management through provision of training on syndromic (based on signs and symptoms) approach. The HIV sentinel surveillance (HSS) and Behavioral sentinel surveillance (BSS) systems established under the ASEP also offer a cost effective “model” for countries with low HIV/AIDS prevalence to monitor the disease and associated behavioral change among the high-risk groups. Prospects that HIV prevalence rates or the target groups will remain below 3% through the year 2000 are good, indicating that for now there is little threat of a major HIV/AIDS epidemic among the general population.

**PROPOSED ADJUSTMENT TO PLANS.** A revised Results Framework to include an infectious disease component under SpO1 is being developed. Refer to the country strategy document, *Modification of the USAID/Philippines Strategic Plan*, for details.

**OTHER DONOR PROGRAMS.** USAID has been and continues to be the largest contributor to the Philippine National AIDS/STD Prevention and Control Program. USAID meets frequently with other donors to ensure complementarity of activities that are supportive of GOP programs. Other donors also show a high level of interest in the Program. USAID finances and provides technical assistance to the HIV sentinel surveillance system itself, while Japan provides laboratory, office and communications equipment. The US-Japan Common Agenda has been an important forum for this collaboration. Both Japan and the Netherlands’ contribution for STD drugs are also complementing USAID-supported training activities on STD syndromic case management. USAID's focus on HIV/AIDS education for high-risk groups is complemented by support from other donors for educational activities directed at the broader general population. Both Australia (through AusAID) and the European Union support NGO projects to strengthen community-based responses to AIDS. Other donors are placing importance on diagnosis and treatment of STDs and reproductive tract infections. These include the World Bank, through the Women's Health and Safe Motherhood Project, and UNFPA through its reproductive health program. Various United Nations and multilateral agencies (with UNAIDS as a coordinating

body) concentrate on support for intra-governmental activities on HIV/AIDS prevention.

**MAJOR CONTRACTORS AND GRANTEES.** USAID implements the program through the GOP's Department of Health and selected local government units, U.S. Center for Disease Control, World Health Organization, Program for Appropriate Technology in Health and local NGOs.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** RAPID INCREASE OF HIV/AIDS PREVENTED (SpO)  
**APPROVED:** March 30, 1995

<b>SpO INDICATOR:</b>	HIV seroprevalence rates among RFCSWs in HSS sites remain <3% in 2000
<b>UNIT OF MEASURE:</b>	No. of HIV sentinel surveillance sites where rates remain less than 3%
<b>SOURCE DOCUMENT:</b>	Field Epidemiology Training Program (FETP) – Department of Health (DOH) National HIV Sentinel Surveillance (HSS) survey
<b>SOURCE ORGANIZATION:</b>	Department of Health (DOH)
<b>INDICATOR DESCRIPTION:</b>	RFCSWs = registered female commercial sex workers; HSS = HIV sentinel surveillance

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			2
1994	6		6
1995	7		7
1996	8		8
1997	8		8
1998	8		8
1999	8		
2000	8		

### COMMENTS:

HIV infection in the Philippines is still low compared to other Asian countries.

1993 baseline and subsequent data are established by the National HIV Sentinel Surveillance (HSS) surveys.

HSS was initially established in 1993 at 2 sites; Cebu and Quezon cities. In 1994, HSS added 4 sites: Pasay, Davao, Angeles and Iloilo. In 1995 and 1996, HSS added General Santos and Zamboanga cities, respectively.

Frequency of data collection: HSS surveys are conducted annually.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** RAPID INCREASE OF HIV/AIDS PREVENTED (SpO)  
**INTERMEDIATE RESULT:** Practices to Prevent STI/HIV/AIDS Infections Among Hi-Risk Groups Increased  
**APPROVED:** March 30, 1995

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**IR INDICATOR :** Increase in RFCSWs reporting consistent condom use with partner at risk during the past week

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**UNIT OF MEASURE:** % of RFCSWs who report consistent condom use with partner at risk during the past week

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**SOURCE DOCUMENT:** FETP-DOH National HIV Sentinel Surveillance and National Behavioral Sentinel Surveillance (BSS) surveys.

**SOURCE ORGANIZATION:** Department of Health (DOH)

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**INDICATOR DESCRIPTION:** RFCSWS = registered female commercial sex workers

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1993			32
1994	35		48
1995	38		52
1996	40		41
1997	43		48
1998	46		46
1999	48		
2000	50		

### COMMENTS:

1993 baseline through 1996 actual data are established by the annual HIV Sentinel Surveillance (HSS) surveys. 1997 and 1998 data are from the National Behavioral Sentinel Surveillance (BSS).

BSS was conducted beginning in 1997. Data from BSS have been considered to be more reliable measurement indicators. Sex behavior data from BSS are more representative of the target groups as selection bias associated with blood sample collection is avoided. Subsequent behavioral data are from the BSS surveys.

As first reported in the 1997 R4, a significant reason for the variable condom usage rates obtained between 1993 and 1996 is the disparity between the number of sites surveyed (from 2-8 sites by 1996) and the number of sites targeted for information, education and communication (IEC) activities at the time the surveys were conducted.

Sex behavior data collection coincides with HSS sites. However, not all of the HSS sites have education activities implemented. Between 1993-98, the number of HSS sites expanded from 2 to 8 while the IEC sites lagged. In June 1994, IEC was in Quezon City and Pasay. In 1995, IEC expanded to Cebu and in 1996, Davao and Angeles cities. In 1997, General Santos and Iloilo were added, and in 1998, Zamboanga was added.

## **E. SO 4: ENHANCED MANAGEMENT OF RENEWABLE NATURAL RESOURCES**

**SUMMARY.** Recent studies indicate that the Philippines is probably the richest country in the world per unit area, in terms of biodiversity and unique plant and animal species. Nearly one-third of the country's 12,000 plant species are endemic (found nowhere else on earth), and its coastal waters host a staggering 488 of the world's 500 known corals. This wealth is under grave threat; only 30% of coral reefs, 50% of mangrove forests and 10% of old growth forests remain intact, and nowhere else on earth is habitat conservation more urgent. Managing these natural resources is even more critical now because they provide for the food security of the Filipino people. For example, the average annual catch per fisherman has reduced from almost 1,600 to 1,000 kg between 1987 and 1996. The Asian Financial Crisis has highlighted the fact that USAID's coastal/marine and forestry resource management activities play a key role in poverty alleviation as well as biodiversity conservation. The following section describes what USAID has done to address these issues.

**KEY RESULTS.** Three key intermediate results were identified to achieve USAID's environment objective: improved coastal resources management, cleaner industrial production in coastal areas and improved forest resources management. Four indicators to measure progress were finalized in collaboration with the Washington team – kilometers of shoreline and hectares of forest where improved management is being implemented, percentage change of fish abundance and coral reef cover inside and adjacent to marine sanctuaries (biophysical indicators), and percent reduction of pollutants in exposure pathways. Targets were revised accordingly and are presented in the Performance Data Tables. Actual results on the biophysical indicators will be reported in the next R4.

**PERFORMANCE AND PROSPECTS.** Overall, SO4's performance has exceeded targets for FY 1998, with national level impact in several areas. The following results have been achieved under SO4:

**Forestry Resources Management.** Through the Forest Resource Management Project (FRMP), USAID is finishing its extremely successful effort to reduce deforestation, soil erosion, and improve forest management for the benefit of rural people through the promotion of community-based forest management. FRMP is recognized as one of the most successful USAID/Philippines activities because of the deep, sustainable impact it has created in promoting community-based natural resource management. It continues to make excellent progress. Since the last R4, the 1998 target of 500,000 hectares under community-based forest management (CBFM) has been surpassed with 535,000 hectares actually achieved in only 88% of total time elapsed. This occurred when the GOP signed 80 agreements that transfer management control of approximately 535,000 hectares to more than 90 different upland communities, and when these communities initiated implementation of approved management plans for these lands. CBFM is now being implemented nationwide, and the GOP, with no direct support from USAID, placed another one million hectares of forest lands under community management in 1998. Overall, through FRM's leadership about 2.9 million hectares of forest lands, or 50% of the country's remaining forest, are now under improved community management. The DENR



data indicates that within five years of improved forest management in CBFM sites, forest cover will increase by approximately 30 percent. DENR expects similar results with the adoption of USAID-assisted FRM management practices in about 5,000 other CBFM sites nationwide. To institutionalize this gain, the DENR and Department of Interior and Local Government (DILG) signed a joint memorandum circular to develop co-management agreements at the field level. In addition, the Asian Development Bank (ADB) will likely adopt the FRM model in renegotiating an \$80 million loan for the forestry sector. Through these significant improvements in forest management, adoption by the GOP of CBFM as the national strategy and emulation by other donors, it is clear that FRMP is ready for conclusion and “graduation” as a highly successful model of USAID leadership.

**Coastal Resources Management.** Through the Coastal Resource Management Project (CRMP), USAID is at the mid-point of its extremely influential effort to promote community-based, integrated coastal/marine resource management. Through its mix of successful “best practices” in the field, penetrating policy support and aggressive awareness campaigns, the President has made CRM a national priority and proclaimed May of each year as Month of the Ocean. The GOP also decided to institutionalize CRM efforts into the DENR and to merge its own program into CRMP, thereby virtually assuring sustainability of successful USAID efforts. CRMP success is demonstrated by its results indicators. In the field, coastal communities have initiated improved management of 2,573 kms of shoreline (target: 2,640), supported by local governments (LGs). Despite the financial crisis and a reduction in funds allocated from the central government, LGs increased their budget for CRM practices by 307% (target 60%) in project areas. In addition, 300,000 people participated in the latest annual coastal clean-up, which was more than the sum total of all other participating countries in the world. To complement successful field activities, public awareness campaigns were phenomenally successful. One million people attended the CRMP exhibit on awareness of the importance of protecting the seas, and more than 70 business establishments participated in CRM programs, using their own resources to promote 1998 as the International Year of the Ocean. Capacity building for community-based CRM has progressed on schedule, providing the necessary skills to 520 community leaders in 1998 and a total of 1,120 since 1996. As a result of CRMP activities, integrated efforts have expanded to 39 municipalities and six provinces. Furthermore, there is a growing local ownership of CRM by communities, as evidenced by local groups and NGOs initiating and coordinating CRM activities on their own. A rigorous, comprehensive external evaluation was completed in January 1999 on CRMP. The major conclusions of this report were: a) CRMP has made major, nationwide achievements, b) it should be extended to a seven year period to assure impact sustainability, c) policy efforts should be increased to take advantage of opportunities CRMP itself created, d) training should be institutionalized, and e) the public awareness campaign should focus on targeted groups.

**Municipal Coastal Environmental Management.** Though similar impact and sustainability are foreseen for the Industrial Initiatives for Sustainable Environment (formerly called the Municipal Coastal Environment Management (MCEI) Project), implementation has just begun. This activity will take the lead in the Philippines in reducing industrial pollution in sensitive marine environments. The IISE will work with 400 industries within selected sectors located in eight

CRM coastal areas, which are expected to benefit from clean production/environmental management, while protecting fragile marine resources. Despite the financial crisis, it is expected that private industries will participate heavily in this program, mainly because of the cost-savings resulting from CT/EM practices.

**Environmental Natural Resources Accounting.** The Environment and Natural Resource Accounting Project (ENRAP) is closing its highly successful campaign to promote the use of market-based instruments (MBIs) in the management of natural resources. The Department of Environment and Natural Resources (DENR) has adopted this practice, and is beginning to use it to exact user fees, incur penalties, prioritize investments and harness the private sector to manage natural resource-based economic activities. Resulting partially from ENRAP's successes, President Estrada's administration now understands the importance of pricing natural resources, and government agencies are using MBI tools to harness private capital to insure sustainable natural resource management. For example, the Philippine Department of Energy has adopted the ENRAP methodology to determine environmental externalities in support of its Demand Side Management Program, which will lead to important improvements in energy efficiency. The private sector was encouraged to sign four industrial plantation forest management agreements (IFMA) in June 1998, because a more transparent determination of government and the private sector economic rent sharing was facilitated using the ENRAP framework. USAID believes that this IFMA can provide a model for more effective private sector management of public resources and will likely be applied in other natural resource-based economic activities. SO4's program is likely to rely even more on market-based instruments in the future.

**POSSIBLE ADJUSTMENT TO PLANS.** Following extensive strategy consultations, USAID will develop a new integrated approach to address the range of environmental issues in ecological units such as watersheds and small islands.

**OTHER DONOR PROGRAMS.** Natural resource management activities are being closely coordinated with initiatives by the World Bank, Japan, ADB/OECF, Canada, the United Nations Development Program and Sweden. For example, CRMP plans to collaborate with Japan and the World Bank on accessing soft loan funds for coastal management activities at the local government level. Many of its best practices will also be sustained by two large ADB projects beginning in 1999. The IISE Project will collaborate with the UNDP on clean production and environmental management policy initiatives. FRMP has collaborated extensively with other bilateral and multilateral donors as well as international NGOs to promote community forest management. The approaches and practices of CRMP and FRMP have also been widely adopted by the GOP.

**MAJOR CONTRACTORS AND GRANTEES.** USAID implements activities through GOP agencies, U.S. contractors, and U.S. and local NGOs including Development Alternatives, Inc., Tetrattech, Inc. and the International Resources Group, U.S. Peace Corps, CARE, and the International Marinelife Alliance.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ENHANCED MANAGEMENT OF RENEWABLE NATURAL RESOURCES  
**APPROVED:** March 30, 1995

<b>SO INDICATOR:</b>	Kilometers of shoreline where improved management of coastal resources is being implemented
<b>UNIT OF MEASURE:</b>	Kilometers of shoreline in core areas and expansion area
<b>SOURCE DOCUMENT:</b>	Local government unit records, contractor's activity report, independent surveys
<b>SOURCE ORGANIZATION:</b>	Local government units; TetraTech (contractor); USAID staff
<b>INDICATOR DESCRIPTION:</b>	Kilometers of shorelines from municipalities are counted when the following criteria in local implementation are reached: 1) Annual LG budget allocated for CRM 2) Resources management organizations are formed and active 3) Best CRM practices are being implemented Data is collected annually.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1996	0		0
1997	0		0
1998	40		170
1999	670		
2000	1,200		
2001	2,100		
2002	3,000		

### COMMENTS:

1996 is activity start-up year; however, the results framework for the CRM activity was revised in the 4<sup>th</sup> Quarter 1998, mid-term during the project, hence the corresponding changes in the yearly targets. A total of 1,200 km of shoreline (670 km from core areas plus 530 km from expansion areas) is targeted for completion by the end of the year 2,000. Additional time and financial resources will be required to complete expansion areas in accordance with the revised framework.

Kilometers of shoreline where improved management of coastal resources is being implemented is counted from core areas and expansion areas. Core areas (CRMP Learning Areas) are where CRM interventions are directly assisted by CRMP. Core areas contribute 670 km of shoreline to overall target of 3,000 km of shoreline where improved management of coastal resources is being implemented by the end of the year 2002.

Local implementation in expansion areas is where CRM interventions are catalyzed through collaboration and use of CRMP products and services. Expansion areas contribute 2,330 km of shoreline to overall target of 3,000 km of shoreline where improved management of coastal resources is being implemented by the end of the year 2002.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ENHANCED MANAGEMENT OF RENEWABLE NATURAL RESOURCES  
**APPROVED:** March 30, 1995

**SO INDICATOR:** Percentage change of fish abundance and coral cover inside and adjacent to marine sanctuaries

**UNIT OF MEASURE:** Average percent change compared to baseline

**SOURCE DOCUMENT:** Biophysical survey data, contractor's activity report  
**SOURCE ORGANIZATION:** University of the Philippines Marine Science Institute; TetraTech (contractor)

**INDICATOR DESCRIPTION:** *Fish abundance inside and adjacent to marine sanctuaries:* Average percent change (in comparison to base years) in fish abundance inside and adjacent to six marine sanctuaries, using standard survey methods. *Coral cover inside and adjacent to marine sanctuaries:* Percent living coral cover inside and adjacent to six marine sanctuaries, using standard transect methods.

YEAR	PLANNED (Fish abundance) (Inside/Adjacent)	ACTUAL (Inside/Adjacent)	PLANNED (Coral cover) (Inside/Adjacent)	ACTUAL (Inside/Adjacent)
1996				
1997				
1998	0/0	0/0	0/0	0/0
1999	10/0		5/0	
2000	20/5		10/2	
2001	30/10		40/15	
2002				

### COMMENTS:

Changes in fish abundance and coral cover inside and adjacent to marine sanctuaries may be influenced by a wide range of biophysical factors independent of human activities, for example, large-scale climatic-induced changes in sea surface temperature that results in coral bleaching.

Baseline studies were done in 1998. Percentage change compared to baseline is 0 in baseline year.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ENHANCED MANAGEMENT OF RENEWABLE NATURAL RESOURCES  
**APPROVED:** March 30, 1995

**SO INDICATOR:** Hectares of forest where improved management of forest resources is being implemented.

**UNIT OF MEASURE:** Hectares of residual forest areas under community-based forest management (000)

**SOURCE DOCUMENT:** Contractor's report, Site visits  
**SOURCE ORGANIZATION:** DAI (contractor), USAID staff, DENR

**INDICATOR DESCRIPTION:** Hectares of forest areas are counted when communities are adopting better forest management practices, including at least the following five measures:

1. Forest lands are no longer open access areas, but have clearly defined boundaries under community management and control;
2. No new net forest area is being cleared and total tenured area under forest cover is expanding;
3. Little or no destructive practices, such as illegal logging, are taking place;
4. A management plan affirmed by the Department of Environment and Natural Resources (DENR) is being effectively implemented; and
5. An environmental monitoring plan using environmental indicators, (i.e., incidence of fire, illegal logging) is being implemented by communities, with DENR and local government counterparts.

Data are collected annually.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1995			79
1996	105		101
1997	275		481
1998	375		535
1999	500		

### COMMENTS:

The Department of Environment and Natural Resources (DENR) has mandated Community Based Forest Management (CBFM) as the national strategy for forest management. DENR identified a total of 1.5 million hectares (1999) of residual forests nationwide as available for community-based forest management. By 1999, DENR will have granted 600,000 hectares (of this total) 50 communities under a Community Forestry Management Agreement (CFMA) or under a Certificate of Ancestral Domain Claims (CADC) for ethnic communities. USAID's planned target in 1999 is 500,000 hectares in 40 communities (24 in 1997, 30 in 1998 and 40 in 1999), out of the 600,000 hectares total.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ENHANCED MANAGEMENT OF RENEWABLE NATURAL RESOURCES  
**APPROVED:** April 1997

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**SO INDICATOR:** Risk to environment and human health

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**UNIT OF MEASURE:** Percent reduction of pollutants within exposure pathways

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**SOURCE DOCUMENT:** Contractor's report, DENR field office report  
**SOURCE ORGANIZATION:** Chemonics (contractor) report, USAID

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**INDICATOR DESCRIPTION:** **Indicator Description:** Pollutants: harmful industrial chemicals, wastes, effluents and emissions such as heavy metals (lead, chrome, arsenic, mercury, silver, cadmium, others); organic pollutants such as Persistent Organic Pollutants (POPs) and others; waste pesticides, herbicides and insecticides; inorganic chemicals such as cyanide and hydrogen sulfide; hazardous wastes regulated under RA 6969.  
**Environmental Risk:** :Probability that an environmental condition caused by human activity will result in harm to the environment or human health.  
**Exposure Pathways:** Media pathways such as air, water, and food, which transport pollutants in the natural human environment.

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1998	0		0
1999	0		
2000	5%		
2001	10%		
2002	20%		

### COMMENTS:

Since the sites and industries for Municipal Coastal Environmental Initiative (MCEI) have not been chosen yet, there may be some minor modifications to the selection of pollutants, pathways and measurement of risk focused in the activity.

Planned reduction of pollutants is measured as an average on an industrial and site-specific basis, with baseline levels to be established during a baseline survey planned in June 1999.

## **F. SO5: REDUCED EMISSIONS OF GREENHOUSE GASES**

**SUMMARY.** Power industry emissions could increase four-fold in the next ten years as a result of the country's economic and population growth. USAID's global climate change strategy in the Philippines is to mitigate greenhouse gas (GHG) emissions from the power sector by expanding the use of cleaner fuels (including renewables) and promoting more efficient generation, transmission, distribution, and consumption of electricity. These activities are facilitated through building the capacity for improved energy sector development and management. With new opportunities like the power sector restructuring, legislation of which is currently being debated in both houses of Congress, SO5 is increasing its emphasis on power restructuring and privatization to increase competition and efficiency in the energy sector. The benefits of the program should include reduced GHG emissions, greater efficiency in operations, and lower electricity rates for consumers. As one of the Agency's "priority countries" for global climate change activities, and an important player in the Group of 77, the Philippines has played an important role among developing countries in past global climate change negotiations. Nevertheless, these issues continue to be sensitive politically.

**KEY RESULTS.** Four key results were identified to achieve this objective: (1) Megawatt-hour of energy saved through cleaner fuel technologies and/or increased efficiency in energy generation, transmission, and distribution; (2) Megawatt-hour of energy saved through end-use efficiency; (3) Policy advances that contribute to the adoption of legislative or administrative actions which increase efficiency and/or cleaner production in the Philippine energy sector; and (4) Tools used for improved energy sector development and management. The broader measure of metric tonnes of carbon dioxide equivalents avoided through improvements in the energy sector is calculated by USAID/Washington, based on the above information. These results and associated indicators were developed in collaboration with USAID/Washington in 1998 and have been approved recently.

**PERFORMANCE AND PROSPECTS.** **The performance of SO5 in 1998 has been on track.** Our excellent relationship with the GOP provides a strong sense of shared ownership for all the activities under the portfolio. This is especially important when dealing with sensitive issues such as power sector restructuring and privatization of the National Power Corporation, and with the GOP's increasing trust in USAID for this kind of assistance. For example, a USAID-sponsored team of energy experts was called in to work alongside representatives of the Philippine's Department of Energy (DOE) and its related agencies to review the proposed Omnibus Energy Bill. The team also provided important inputs that will help inform preparation of the implementing rules and regulations (IRRs) for the Omnibus Bill, that will lay the groundwork for a restructured power sector. USAID provided training and study visits to the U.S. for Congressmen to educate them on restructuring and privatization. Follow-up workshops were held in March to educate members of the House and Senate Energy Committees, with 19 congressmen and 4 key senators participating. USAID experts also provided background briefings on restructuring and privatization to reporter from 6 of the country's leading dailies and news services. Other training during this period included courses on the mechanics of unbundling – identification and determination of hidden/true costs of subsidies, break down and

listing of component charges -- to help the National Power Corporation find ways to comply with the Executive Order that mandated the unbundling of utility tariffs. Our assistance to the Energy Regulatory Board on the Philippine Grid and Distribution Code resulted in the review and revision of the code and additional guidance for the development of operating standards. The Mission recently signed a Participating Agency Service Agreement (PASA) with the USDOE to provide US\$1.2 million in technical assistance to the Philippine's DOE to help it develop and implement energy sector reforms that would promote economic growth, efficiency, and environmentally compatible energy policies and programs. An important portion of these resources are expected to be used to advance the restructuring legislation. With President Estrada's official certification of the Omnibus Energy Bill as urgent, and with hearings in both the House and the Senate ongoing, USAID is well positioned to assist our partners to put in place structural reforms that would ensure a competitive environment, increased efficiency, and reduced GHG emissions.

***Clean Fuels.*** The use of environmentally friendly indigenous fuels like natural gas, geothermal, and renewable energy is not only good for the environment, but also for the country's balance of payments. This has become even more important in the wake of the Asian financial crisis and the sharp decline in value of the Philippine peso. In 1998, the Mission helped the Philippine National Oil Company to consider the potential of geothermal fields for more than just steam applications. The concurrent natural gas fuel found at these geothermal sites, for instance, can be used to develop fuel cells. Analyses are underway to develop this market since fuel cells utilizing natural gas fuel produce about 60% less GHG emissions than conventional diesel engines. USAID also assisted in the drafting of an Executive Order and a Memorandum of Agreement formulating an Action Plan for Renewable Energy, with the companion Renewable Energy Bill still awaiting passage (given that the Omnibus Bill is absorbing the priority attention of the congressional energy committees). USAID also helped build the capacity of GOP counterpart agencies and electric utilities to carry out integrated resource planning/bidding and to use the MARKAL energy planning software as a decision-making tool, now that the GOP has decided that MARKAL will be the planning model of choice. This year, USAID and the GOP will be working together to develop a Philippine Energy Plan. Prospects for increased entry of clean fuels into the national power generation mix are good. The new GOP effort -- Energy Resources for the Alleviation of Poverty (ERAP) -- calls for the electrification of 90% of the country's basic local communities, the barangays. Half of these barangays are off-grid (i.e., not cost effective to connect by wires to the national electrical grid), and often the most viable option to power them sustainably is through utilization of indigenous renewable energy sources. Technical assistance from USAID's new PASA with the US DOE's National Renewable Energy Laboratory (NREL) will provide critical support in this area.

***Energy Efficiency.*** Through technology transfer, USAID continues to provide a wide variety of proven technologies and financial mechanisms to increase energy efficiency. In 1998, five power plants under the heat rate improvement program were surveyed for controllable losses. By simply changing some operating procedures, the plants will be able to increase their efficiency from 32 to 36 percent, or up to the equivalent of 1.5 million barrels of oil. The first pilot demand side management (DSM) activity installed at the field level (for efficient lighting)



resulted in 412 Megawatt-hour (MWh) saving per year, a 27 percent reduction in energy consumption, and 35 percent increase in illumination. More efficient lighting and motor activities are planned for 1999 and 2000 with 12 other companies, which should result in energy savings of several thousand MWh and with good prospects for replication. Similarly, USAID worked with the Philippine DOE and the Department of Trade and Industry to enhance their testing capability for lamps and ballasts. The use of highly efficient lamps and ballasts is expected to reduce electricity consumption of participating end users by 25 percent, and important gain given the high cost of power in the Philippines. Efforts to promote implementation of standards and codes for electric motor efficiency and efficient buildings – like information/education campaigns, Green Malls, and local capacity to carry out energy audits -- will also be sustained. Other results achieved under SO 5 include the establishment of a Climate Change Technology Information Center to monitor GHG inventories and serve as a central hub for climate change studies.

**Buhay Awards with President Estrada  
“Reducing Greenhouse Gases: Everyone’s Responsibility”**

USAID, in partnership with the Department of Environment and Natural Resources (DENR), the Philippine Department of Energy (DOE), the U.S Environmental Protection Agency (EPA), and U.S.-Asia Environmental Partnership (US-AEP), launched the Buhay Awards in December 1998 to recognize individuals and groups that have initiated significant voluntary efforts to mitigate greenhouse gas emissions in the country. Fifteen awardees were recognized in a ceremony at Malacanang palace by President Estrada for reducing substantial energy use through measures such as installing a more efficient transformer, changing light fixtures, purchasing more efficient boilers, recycling waste water, and increasing insulation. These companies’ voluntary commitments to implement measures to reduce energy use highlights the need for universal involvement in efforts to mitigate climate change leading to global warming. While this is a modest technical assistance, experience in the U.S. suggests that this type of high-level public recognition really does encourage others to follow suit.

**POSSIBLE ADJUSTMENT TO PLANS.** The Mission will submit a revised strategy for SO 5 in 1999, increasing its emphasis on energy sector restructuring and privatization, renewables, and NGO involvement. Please refer to country strategy document for further information.

**OTHER DONOR PROGRAMS.** USAID technical assistance grants to improve energy sector policies are helping to provide the basis for other donors and multilateral banks to extend energy loans to the Philippines. For example, USAID's technical assistance on power

sector restructuring and privatization is strongly endorsed by the Asian Development Bank (ADB) and our commitment to provide such assistance helped facilitate the approval of their \$300 million power sector loan. USAID is also coordinating with the World Bank on renewable energies, and the Mission's technical assistance in this area is expected to lay the foundations for a possible loan program to encourage more widespread use of renewables. USAID is also coordinating with UNDP and its assistance to Land Bank of the Philippines to encourage additional lending for renewable energy investment.

**MAJOR CONTRACTORS, GRANTEES OR AGENCIES.** USAID implements activities through GOP agencies, U.S. contractors, and NGOs. Major contractors include Hagler Bailly Consulting Inc., Resources Management International, Inc., and the U.S.DOE-National Renewable Energy Laboratory.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED EMISSIONS OF GREENHOUSE GASES  
**APPROVED:** March 30, 1995

<b>SO INDICATOR:</b>	Policy advances that contribute to the adoption of legislative or administrative actions which increase efficiency and/or cleaner production in the Philippine energy sector
<b>UNIT OF MEASURE:</b>	Weighted index score of all policy goals (from 0 to 100%). Cumulative measure.
<b>SOURCE DOCUMENT:</b> <b>SOURCE ORGANIZATION:</b>	Mission, GOP, and contractors estimates of progress based on criteria set Mission, GOP, and Hagler Bailly (contractor)
<b>INDICATOR DESCRIPTION:</b>	This indicator only measures results achieved with support from USAID and will be collected annually.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1998	35		35
1999	87		
2000	93		
2001	99		
2002	100		

**COMMENTS:** There are currently 6 policy goals that USAID/Philippines is trying to achieve in this program. Additional ones may be added in later years as necessary.

For each of the policy goals, there are four policy steps that are being measured:

- (1) **Policy preparation (30%).** The problem is researched, and the legislation, policy or regulation to address the problem is drafted. Initial consultation with stakeholders is involved
- (2) **Consensus building (40%).** Policy discussed with relevant stakeholders, revised as necessary, and introduced for debate in the appropriate legislation or administrative body.
- (3) **Adoption (20%).** Policy intervention is approved and adopted by the appropriate administrative or legislative body.
- (4) **Implementation (10%).** Actions that put the policy intervention into effect, such as agency personnel trained in implementation and/or enforcement procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

Year average progress of all policy goals are reported against the yearly average targets.

<b>POLICY INDEX</b>		<b>1998</b>		<b>1999</b>		<b>2000</b>		<b>2001</b>		<b>2002</b>	
<b>Policy Goal</b>	<b>Contribution to SO</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>
1. Administrative action to revise Demand-Side Management Regulatory Framework to simplify compliance and strengthen enforcement. <i>Contractor: RMI. Partner: Energy Regulatory Board (ERB)</i>	10%	70	70	100		100		100		100	
2. Restructuring and privatization	40%	23	23	77		90		100		100	
a) Passage of Bicarmel Bill and IRR.		0	0	70		90		100		100	
b) IRR on provision of independent energy regulatory body with enforcement capability.		0	0	70		90		100		100	
c) IRR on Philippine Grid and Distribution Code to increase electricity distribution efficiency. <i>Contractor: Hagler-Bailly, Bechtel, National Renewable Energy Lab, USDOE. Working with Philippine DOE and ERB</i>		70	70	90		90		100		100	
3. Incorporation of environmental externalities in:	10%	50	50	95		100		100		100	
a) Administrative order on Integrated Resource Planning used in electricity distribution.		30	30	90		100		100		100	
b) Administrative action/resolution in the electricity utility planning process at the ERB <i>Contractor: Hagler-Bailly. Working with ERB.</i>		70	70	100		100		100		100	
4. A Bill of GOP action plan for pilot testing of market-based instruments to improve the environmental performance of the energy sector. <i>Contractor: Hagler-Bailly. Working with Dept of Environment &amp; Natural Resources.</i>	10%	30	30	70		70		90		100	
5. Administrative action to implement policies reducing Power Plant Controllable Losses <i>Contractor: Hagler-Bailly. Working with National Power Corp.</i>	15%	70	70	100		100		100		100	
6. Executive Order to improve policy/regulatory framework to promote increased penetration of renewables into the Philippine energy sector. <i>Contractor: NREL. Working with Phil DOE</i>	15%	0	0	100		100		100		100	
<b>Weighted Index Score</b>	100%	35	35	87		93		99		100	

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED EMISSIONS OF GREENHOUSE GASES  
**INTERMEDIATE RESULT:** Cleaner Fuel  
**APPROVED:** March 30, 1995

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**IR INDICATOR:** Fossil fuel-based energy saved or avoided through clean fuels, cleaner fuel technologies, and increased efficiency in energy generation, transmission and distribution.

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**UNIT OF MEASURE:** Megawatt-hour (MW-h) of energy saved or generation avoided -- cumulative measure

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**SOURCE DOCUMENT:** Contractors, independent verification  
**SOURCE ORGANIZATION:** Contractors and partners -- Hagler Bailly, NREL

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**INDICATOR DESCRIPTION:** This indicator only measures results achieved with support from USAID, and will be collected annually.

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YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1998	3,000	6,000	3,330
1999	103,000	206,000	
2000	352,000	735,000	
2001	722,000	1,445,000	
2002	7,588,000	15,176,000	

### COMMENTS:

1998 numbers include line loss savings of 4 MW and renewable facilities.  
1999 estimates include line loss savings and RE facilities power plant increased efficiency.  
2000 estimates include line loss savings, power plants increased efficiency, and fuel cells/renewables.  
2001 estimates include the same sources as in 2000 with improvements.  
2002 estimates include all of the sources in 2001 plus 2,700 MW from natural gas at 50% capacity factor.

Note: Emissions of carbon dioxide (CO<sub>2</sub>) equivalents avoided through improvements in the energy sector will be calculated by USAID/Washington based on this data.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED EMISSIONS OF GREENHOUSE GASES  
**INTERMEDIATE RESULT:** Efficiency  
**APPROVED:** March 30, 1995

<b>IR INDICATOR:</b>	Fossil fuel-based energy saved through increased end use efficiency
<b>UNIT OF MEASURE:</b>	Megawatt-hour (MW-h) of energy saved -- cumulative measure
<b>SOURCE DOCUMENT:</b>	Contractors; independent verification
<b>SOURCE ORGANIZATION:</b>	Contractors and partners -- RMI, Hagler Bailly, IIEC
<b>INDICATOR DESCRIPTION:</b>	This indicator only measures results achieved with support from USAID, and will be collected annually.

YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1998	0	400	412
1999	1,400	2,800	
2000	4,750	9,500	
2001	5,050	10,100	
2002	5,350	10,700	

### COMMENTS:

1998 numbers include Resources Management Institute's (RMI) demand-side-management activity.  
 1999 estimates include RMI's DSM project and Hagler-Bailly's energy audit activity.  
 2000 estimates include all of 1999 plus IIEC's Greenmalls activity.  
 2001 and 2002 estimates are on the same basis as 2000.

Note: Emissions of carbon dioxide (CO2) equivalents avoided through improvements in the energy sector will be calculated by USAID/Washington based on this data.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** REDUCED EMISSIONS OF GREENHOUSE GASES  
**INTERMEDIATE RESULT:** Capacity building  
**APPROVED:** March 30, 1995

<b>IR INDICATOR:</b>	Tools for improved energy sector development and management, provided with assistance from USAID capacity/capability building, implemented or used by Philippine government agencies or electric utilities.
<b>UNIT OF MEASURE:</b>	One point for each tool used by each unit (plant, utility, government agency, etc) for each year tool is used -- annual measure
<b>SOURCE DOCUMENT:</b> <b>SOURCE ORGANIZATION:</b>	Mission, GOP, and contractors estimates of progress; independent verification Mission, GOP, and Hagler Bailly (contractor)
<b>INDICATOR DESCRIPTION:</b>	This indicator only measures results achieved with support from USAID and will be collected annually.

<b>YEAR</b>	<b>PLANNED LOW</b>	<b>PLANNED HIGH</b>	<b>ACTUAL</b>
1998	140		146
1999	240		
2000	370		
2001	400		
2002	440		

### COMMENTS:

1. Considered as tools for capacity/capability building, include but are not limited to the following:
  - a. Training – seminars, workshops, conferences, roundtable discussions, etc.
  - b. Computer software -- Resource Planning Guide, Electric Generation Expansion Analysis System, etc.
  - c. Documentation – reports, technical manuals, proceedings, etc.
  - d. Data bases – heat rate tracking, power plant performance, energy supply/demand, assessment
  - e. Centers – Climate Change Information Center, Electric Cooperative Development Center.
2. Functional areas for capacity/capability building, include but are not limited to the following:
  - a. Planning
  - b. Policy making
  - c. Decision making
  - d. Program and project development and management
  - e. Administration

Note: Capacity refers to amount/size/number while capability refers to abilities/skills/competencies.

1998 numbers include Hagler-Bailly, Resources Management Institute (RMI), U.S. Energy Association (USEA), U.S. Environmental Protection Agency (US EPA), Utility Partnership Executive Program (UPEP).  
 1999 estimates include HB, RMI, International Institute for Energy (IIE), USEA, US EPA, UPEP, International Institute for Energy Conservation (IIEC), National Renewable Energy Laboratory (NREL).  
 2000-2002 estimates are on the same basis as 1999, assuming some tools are sustainable after their contracts end.

## **G. SO 6: BROADENED PARTICIPATION IN THE FORMULATION AND IMPLEMENTATION OF PUBLIC POLICIES IN SELECTED AREAS**

**SUMMARY.** USAID's democracy program has a two-pronged strategy in local governance and civil society. The first strategy strives for effective local government with broad-based participation and provides assistance to local governments units (LGUs) of nine provinces and two autonomous cities. Assistance uses participatory mechanisms to improve local service delivery, tax collection and partnerships with business and national government, and helps local governments advocate for their interests. The civil society strategy focuses on effective participation of the disadvantaged. USAID assistance to coalitions of the disadvantaged enables them to analyze and debate public policy issues and to participate actively in the public policy arena. The beneficiaries of SO 6 are the citizens of local governments working with USAID to improve governance with broad participation, and the socio-economically disadvantaged and under-represented sectors of Philippine society represented by USAID-supported coalitions.

**KEY RESULTS.** Indicators selected to demonstrate results are: 1) number of NGO representatives actively participating in local special bodies, 2) net amount of self-generated revenues collected by target LGUs, 3) major issues addressed by coalitions, and 4) the level of sophistication of coalitions in use of research and analytical capacities to develop agendas.

### **PERFORMANCE AND PROSPECTS. SO 6 performance in 1998 exceeded expectations.**

For example, civil society participation in local government bodies exceeded targets by 70 percent and local government revenue collection targets were exceeded by 400 percent.

**Local Governance.** Under the Governance and Local Democracy (GOLD) program, significant achievements include widespread improvements among target LGUs in public service delivery, LGUs exploring public-public and public-private partnerships and innovative revenue sources, and local government leagues' endorsement to Congress of an omnibus bill to amend the Local Government Code of 1991, including provisions to rationalize national tax distribution, localize authority over children's rights, expand devolved powers, increase local government control of their internal structures, such as personnel policies, and enhance control of the Philippine National Police. Introduction of a participatory planning method, the Technology of Participation, to help local leaders and community members plan, budget, and set development priorities has been a great success.

Work is ongoing in financial resource mobilization, investment prioritization and environmental planning and management. Local revenues in target LGs have increased 17% annually since 1991, faster than central disbursements to local governments which have increased 15% annually. Work on improving real property tax collections is moving forward. For example, the province of Bulacan moved quickly to computerize its tax system and the provinces of Nueva Vizcaya and Negros Oriental are now prepared to seize and auction properties of delinquent taxpayers. Lanao del Norte achieved a breakthrough in collecting Pesos 2.5 million from the National Power Corporation for watershed development projects, a form of "sharing of national wealth" mandated in law, but not actually carried out until now. Local governments are implementing public-public and public-private partnerships. For example, the Department of

Environment and Natural Resources (DENR) is transferring management of the 20,000 hectare Magat Watershed to Nueva Vizcaya province, Bohol province is privatizing its power and water utilities, the Capiz provincial legislature has passed an ordinance to build a fishing port through a Build-Operate-Transfer scheme, and Naga City's River Rehabilitation Plan was completed through a participatory process, winning the city \$30,000 for the 1998 Dubai Award for participatory environmental planning.

#### **Economic Growth—A Key Concern of LGUs**

When local governments are participatory and responsive, citizens fully expect them to pursue economic growth aggressively. The GOLD program has promoted innumerable participatory planning workshops with the following results:

- Joint LGU/Chamber of Commerce investment promotion units established in three provinces.
- Firm decisions to privatize poorly-managed public ventures—electric and water utilities in Bohol, a ceramics center in Lanao del Norte.
- Opportunities for private investment identified—eco-tourism resorts in Bohol, an ice plant in a Capiz fish port, a pineapple seedling nursery in Nueva Vizcaya.
- Hundreds of Barangay Planning and Budgeting Workshops brought firm decisions to: build infrastructure needed by businesses and farms; provide training on commercial farming techniques; and promote local policies to ensure sustainable offshore fishing.

Involvement of NGOs and peoples' organizations in planning assures integration of community needs in local development plans and national legislation. In 1998, 1,021 NGO representatives participated in local government committees at target LG sites, well above the target of 750. An association of governors, mayors, and local councils modeled on the National Civic League in the U.S. is helping local leaders share information and disseminate successful ideas, and serves as a platform for advocating local autonomy.

**Civil Society.** Coalitions are influencing public policy formulation and implementation. Through USAID support,

coconut farmers were able to gain the support of newly-elected President Estrada to distribute more fairly revenues from the coconut sector, which had been misappropriated by cronies of former President Ferdinand Marcos. Key urban poor representatives have been appointed to Cabinet level positions and elected as sectoral representatives to the House of Representatives with active support of the urban poor coalition. For the first time in Philippine history, the children's sectoral assembly elected a child to represent children on the President's National Anti-Poverty Commission. The Department of Environment and Natural Resources has agreed to resolve mining and ancestral domain issues brought to it by the indigenous people's coalition. Advocacy activities with labor unions resulted in the passage of the Philippine Export Processing Zone Act that mandates full protection of labor in economic zones. Women workers, in particular, will benefit from equal employment opportunities and protection under this law. The International Labor Organization cited the Philippines' efforts in this sector during a tripartite meeting in Geneva in October 1998. The civil society program continued to strengthen its advocacy and empowerment initiatives. Five new major coalition grants will support policy work on the *barangay* (neighborhood) justice system, judicial reform in the labor sector, justice system reform as advocated by alternative law groups, indigenous peoples and street vendors/traders. Activities undertaken through grants for NGO accountability and financial sustainability are preparing USAID-assisted PVOs to mobilize other sources of funding in anticipation of their "graduation" from foreign assistance. Another breakthrough was the Annual



Partners' Conference which, for the first time, included both local government officials and Philippine NGO leaders, as well as two dozen NGO leaders from seven Asian countries.

**Prospects.** Unless efforts to recentralize the Philippine governance system are successful, USAID will continue to achieve its intended results in the democracy area in 2000 and 2001. New emphases will include dissemination of "good practices" among local governments, maturation of ongoing activities in environmental management and investment promotion, and strengthening local revenue raising through bank credit, bonds and taxation. Effective, participatory local governance will be made sustainable at current project sites and shared more broadly, with the local governments bearing more and eventually all costs.

In civil society, the policy gains of the existing eleven coalitions are now witnessing the impact of their efforts on major segments of the Philippine population. By 2001, all USAID-funded NGO coalitions will be able to translate data and information into policy studies, advocacy plans, issue papers and resource management plans. The work is just beginning to take off, and in 1999 and 2000 further consolidation of coalition gains will occur. This progress will include increased leadership by members of disadvantaged sectors, continuing support for increased synergy across coalitions, increased attention to gender, more coherent approaches to local advocacy, and improved mechanisms to ensure accountability of policy makers and implementers.

**POSSIBLE ADJUSTMENT TO PLANS.** To counteract recent recentralization initiatives, USAID will work with the leagues of local governments and appropriate national government agencies to carry out training, education and advocacy. An appropriate close to the decades of USAID assistance to disadvantaged groups must be implemented. Initial work on improving the justice sector will need to be followed up by other activities, perhaps through support to the courts as well as to public interest organizations. Similarly, there is a need to develop an effective strategy for addressing corruption and the need for greater transparency at the national and local government levels. These changes in approach are described in the attached "Revision of USAID/Philippines 1995-2001 Country Strategy Plan."

**OTHER DONOR PROGRAMS.** USAID coordinates with the Ford Foundation, which supports research and pilot activities on local governance and capacity strengthening of indigenous people's groups. The local government leagues, now supported by several donors that have followed USAID's lead, are assuming leadership in decentralized government policy and practices. Canada supports capacity building of local governments and NGOs. Major NGOs are putting in substantial matching resources to strengthen civil society. Various local academic institutions serve as democracy and decentralization monitors and policy option generators.

**MAJOR CONTRACTORS AND GRANTEES.** The major contractor is Associates in Rural Development. Major grantees include Agricultural Cooperative Development International, American Center for International Labor Solidarity, Volunteers in Overseas Cooperative Assistance, World Vision Relief and Development, CARE and several Philippine PVOs, including the Philippine Business for Social Progress, and the Gerry Roxas Foundation.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** BROADENED PARTICIPATION IN FORMULATION & IMPLEMENTATION OF PUBLIC POLICIES  
**APPROVED:** March 30, 1995

<b>SO INDICATOR:</b>		NGOs representatives actively participating in local special bodies	
<b>UNIT OF MEASURE:</b>		Number of NGOs accredited by LGs	
<b>SOURCE DOCUMENT:</b>		Surveys in target LGs	
<b>SOURCE ORGANIZATION:</b>		ARD (contractor)	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1995			293
1996	325		586
1997	400		693
1998	750		1021
1999	1,000		

### COMMENTS:

The Local Special Bodies (LSB) are created by law and require minimum levels of NGO membership to insure citizen participation in governance. They include: The School Board, Health Board, Local Development Council, Peace and Order Council and Pre-bids and Awards Committee.

Starting in 1996, stricter criteria were used in determining NGOs and LSBs. NGOs must be designated by the NGOs themselves in an open process, LSBs must be active for at least one year, and no NGO can be counted twice for representation on multiple LSBs.

## PERFORMANCE DATA TABLE

<b>ORGANIZATION/PROGRAM:</b>		USAID PHILIPPINES
<b>STRATEGIC OBJECTIVE:</b>		BROADENED PARTICIPATION IN FORMULATION & IMPLEMENTATION OF PUBLIC POLICIES
<b>APPROVED:</b>		March 30, 1995
<b>SO INDICATOR:</b>		Major issues addressed by the coalitions documented in narratives
<b>UNIT OF MEASURE:</b>		Issues addressed
<b>SOURCE DOCUMENT:</b>		Progress reports and field visits
<b>SOURCE ORGANIZATION:</b>		Grantees, contractors, and USAID staff
<b>INDICATOR DESCRIPTION:</b>		Selected narratives depicting the coalition's successes will be submitted on an annual basis. These narratives should capture the various stages of policy development through a participatory and consultative system.
<b>YEAR</b>	<b>PLANNED QUALITATIVE</b>	<b>ACTUAL QUALITATIVE</b>
1998		See narrative below.

### COMMENTS:

The following major issues were addressed by the eight coalitions for which reports are available.

#### A. Coconut Farmers

1. The coalition successfully blocked the passage of congressional bills, which will negatively impact small coconut farmers and farmworkers (e.g. bill to exempt coconut land from comprehensive agrarian reform).
2. Before the end of his term, President Ramos issued an Executive Order, which directed the liquification of assets acquired through the coconut levy and the use of the proceeds for the development of the coconut industry.
3. The coalition successfully mobilized allies from various sectors in Philippine society and the media and conducted vigorous advocacy to convince President Estrada to continue the reforms started under the previous Administration. As a direct result, President Estrada pledged to finally resolve the coconut levy issue in favor of small coconut farmers before the end of 1999.

#### B. Children

1. The coalition successfully advocated the passage of a law that recognized children as a distinct basic sector in the government's social reform agenda, and participated extensively in the drafting of its implementing rules and regulations.
2. A sectoral assembly organized by the coalition formulated the priority agenda of the children sector under the Estrada administration and elected a 14 year-old child as commissioner to the National Anti-Poverty Commission – A first in the history of the Philippines.
3. The coalition established 67 local councils for the protection of children, in support of the implementation of a presidential decree, which provides for the establishment of these local councils nationwide.

#### C. Microfinance

1. The microfinance coalition has grown from less than 10 members in 1996 to almost 70 by 1998. Members include the biggest and most progressive microfinance NGOs in the Philippines, the Central Bank of the Philippines and several private banks, government agencies and the donor community (USAID, World Bank, ADB and UNDP).

2. The coalition held a microfinance summit at the ADB headquarters with more than 300 participants and generated widespread support for the adoption of the microfinance performance standards it developed.

D. Urban Poor

1. Four Urban Poor Housing advocates were named to key housing/urban agencies, such as the Housing and Urban Development Coordinating Council, National Housing Authority and the National Government Center Housing Project. Two urban poor leaders were likewise elected as sectoral representatives to the 11<sup>th</sup> Congress.
2. A presidential decree, which criminalizes squatting, was repealed.
3. Local government units played a more active role in implementing the Urban Development and Housing law using local training approaches.

E. Indigenous Peoples:

1. An indigenous peoples' key leader was appointed as Commissioner to the National Commission on Indigenous Peoples (NCIP), a first in the history of indigenous peoples in the Philippines.
2. Through an effective protest against unrelenting strip-mining of the uplands, the MineWatch Phils., a multi-sectoral strategic support group, was able to gain the Department of Environment and Natural Resources approval to put on hold mining activities on some 44,000 hectares of affected uplands.

A. Education in Mindanao

1. The coalition held the 1<sup>st</sup> Mindanao Summit on Literacy to provide a venue for presenting and sharing the accomplishments, insight, breakthroughs and challenges in the field of non-formal education in Mindanao.
2. A Workforce Information and Service Exchange Center was launched in Koronadal, South Cotabato. The project is designed to provide information in terms of training, jobs, skills and other opportunities for different sectors in the Muslim Mindanao area.

B. High Growth Areas

1. Launched the first "Phil-Job Net" program in Laguna. The program is an automated job and applicant matching system which aims to fast track job seekers' search for employment.

C. Informal Sector

1. The coalition's campaign for the full and timely implementation of a law which provides assistance to women engaged in micro and cottage businesses, culminated with the signing of a memorandum of agreement (MOA) between the coalition and all implementing government agencies. The MOA also formally acknowledged the coalition as a partner in the implementation of this legislation.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** BROADENED PARTICIPATION IN FORMULATION & IMPLEMENTATION OF PUBLIC POLICIES  
**INTERMEDIATE RESULT:** Effective Local Governance with Broad-based Participation  
**APPROVED:** March 30, 1995

<b>IR INDICATOR:</b>		Net amount of self-generated revenues collected by target LGs	
<b>UNIT OF MEASURE:</b>		Pesos (million)	
<b>SOURCE DOCUMENT:</b>		LGs Budget Operations Statement	
<b>SOURCE ORGANIZATION:</b>		Local Government Units (LGs)	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1996			592
1997	176		817
1998	203		974
1999	254		

### COMMENTS:

"Resources" = revenues, loans, grants, etc.

Measurement covers major revenue sources including real property, business and community (residence) taxes. Budget Operations Statements are prepared and submitted annually by LGs at the end of the year.

Self-generated -- Taxes for which the LG is authorized to set rate and collect for their own budgeted expenditures.

Net is defined as total annual tax collections minus the costs of the Provincial or Municipal Assessor's and Treasurer's offices. It includes personnel and operating expenses for these offices. It does not include village level costs, which are small and highly variable.

During 1998, the SO team will adjust outyear targets to a higher, more appropriate level. 1996 figures did not become available until late 1997, as the Bureau of Local Government Finance perfected its data collection procedures.

## PERFORMANCE DATA TABLE

<b>ORGANIZATION/PROGRAM:</b>		USAID PHILIPPINES
<b>STRATEGIC OBJECTIVE:</b>		BROADENED PARTICIPATION IN FORMULATION & IMPLEMENTATION OF PUBLIC POLICIES
<b>INTERMEDIATE RESULT:</b>		Effective Participation of the Disadvantaged
<b>APPROVED:</b>		March 30, 1995
<b>IR INDICATOR:</b>		Coalition uses its research and analytical capacities for developing agenda
<b>UNIT OF MEASURE:</b>		Levels of sophistication vis-a-vis selected indicators
<b>SOURCE DOCUMENT:</b>		Progress reports, monitoring reports, field visits
<b>SOURCE ORGANIZATION:</b>		Grantees, contractors, USAID staff
<b>INDICATOR DESCRIPTION:</b>		Levels of sophistication are based on the occurrence or completion of activities, tasks, events, etc. agreed to between the Mission and the coalitions as critical to the achievement of intermediate result's objective.
YEAR	PLANNED QUALITATIVE	ACTUAL QUALITATIVE
1996	ACDI – 3 MIPI – 1 PBSP – 2	ACDI – 3 MIPI – 3 PBSP – 2
1997	ACDI – 3 MIPI – 2 PBSP/IP – 3 AAFLI/ILS – 2 TSPI – 2 VOCA – 2 SPEED – 1	ACDI – 3 MIPI – 2 PBSP/IP – 3 AAFLI/ILS – 2 TSPI – 2 VOCA – 2 SPEED – 2
1998	MIPI – 1 PBSP/IP – 3 AAFLI/ILS – 3 TSPI – 3 VOCA – 3 SPEED – 3 AAFLI/WOM – 1 PBSP/HGA – 1 WVRD – 2	MIPI – 1 PBSP/IP – 3 AAFLI/ILS – 3 TSPI – 3 VOCA – 3 SPEED – 3 AAFLI/WOM – 1 PBSP/HGA – 1 WVRD – 2

### COMMENTS:

The contents of this table summarizes the results of the Mission's consultation with their members. Planned targets differ for each of the coalitions because of variations in the starting level of sophistication of each coalition. Levels of sophistication of the coalitions are described as follows:

Level 1- The coalition can access in-house and external research resources;

Level 2- The coalition can gather baseline and empirical data and policy-related information;

Level 3- The coalition can translate the data/information into policy studies, advocacy plans, issue papers, resource management plans.

**NGO Grantees:**

ACDI: Agricultural Cooperative Development Intl. (Fisherfolk Coalition)

MIPI: Mondragon Foundation, Inc. (Urban Poor Coalition)

PBSP/IP: Philippine Business for Social Progress (Indigenous People Coalition)

AAFLI/ILS: Asian-American Free Labor Institute (Informal Labor Sector Coalition)

TSPI: Tulay sa Pagunlad Inc. Development Corp. (Microfinance Coalition)

VOCA: Volunteers in Overseas Cooperative Assistance (Coconut Farmers Coalition)

SPEED: Strategic Program for Enhancing Education & Development in Mindanao (Education & Training)

AAFLI: Asian-American Free Labor Institute (Delivery of Justice for Disadvantaged Women)

PBSP: Philippine Business for Social Progress (Disadvantaged Groups in High Growth Areas/HGA)

WVRD: World Vision Relief Development (Children Rights Coalition)

## **H. SpO 2: ASSISTANCE TO AMERASIANS**

**SUMMARY.** In August 1996, USAID awarded a three-year grant to a coalition of 11 PVOs led by the Pearl s. Buck Foundation (PSBF). The main objective of this special objective is to facilitate the socio-cultural and economic integration of Filipino Amerasians, through the enhancement of their skills and productivity and that of their families, job placement, provision of capital, and access to health and psychosocial services.

**KEY RESULTS.** Achievement of the above objective is measured by the establishment of a functional support group consisting of coalition members which will provide services to Amerasians and their caregivers, according to their areas of expertise, e.g. education, health, skills training, income generation, job placement and psychosocial counseling.

**PERFORMANCE AND PROSPECTS. Performance is on track and meeting expectations.** Two performance indicators were selected to demonstrate progress on results -- percent of Amerasians and caregivers who are 1) employed/self-employed and 2) receiving preventive health care training. Please refer to the Performance Data Tables.

In 1998, seven subgrantees and five regional offices of PSBF implemented programs which provided Filipino Amerasians and their families with a variety of services including educational assistance through “study now, pay later” plans, skills training and job placement, credit, and health and psychosocial services. As of December 31, 1998, 438 persons benefited from microfinance services, 50 obtained permanent jobs, 298 received skills training or education assistance, and more than 2,500 received training in preventive health care and/or psychosocial services. A mid-term evaluation of this grant in September 1998 showed very positive results.

**POSSIBLE ADJUSTMENT TO PLANS.** PSBF has continued to do an excellent job in coordinating the activities of the coalition. In 1998, USAID extended the grant by one year (the new GACD is August 27, 2000) to allow the completion of subgrant activities.

**OTHER DONOR PROGRAMS.** Principal donor is USAID.

**MAJOR CONTRACTORS AND GRANTEES..** The major grantee is the Pearl S. Buck Foundation. Its coalition members are the American Association of the Philippines, American Chamber Foundation, Buklod Center, Mixed-Race Children Foundation, Philippine-American Guardian Association, Saint Joseph Community Center, Salesian Fathers, Daughters of Many Help of Christians, Samahan ng Mga Magulang at Tagapangalaga ng Amerisians, United NGOs of Olongapo, and Women’s Education, Development, Productivity and Research Organization (WEDPRO).



## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ASSISTANCE TO AMERASIANS (SpO)  
**APPROVED:** March 30, 1995

<b>INDICATOR:</b>		Percent of total disadvantaged on which the coalition has impact	
<b>UNIT OF MEASURE:</b>		Percent (%) of Amerasians and caregivers who are employed/self-employed	
<b>SOURCE DOCUMENT:</b>		Baseline and periodic evaluation surveys and semi-annual reports	
<b>SOURCE ORGANIZATION:</b>		Grantee	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1996			0
1997	10 % (300)		7 % (207)
1998	20 % (600)		16 % (488)
1999	30 % (900)		
2000	35 % (1,050)		

### COMMENTS:

The target population of Amerasians and caregivers is estimated at 3,000 of which 35 percent will be reached by skills training, job placement and credit services. This is a subset of a larger group estimated at 12,000. Annual evaluation is planned.

Targets were revised during the Indicators Setting Meeting in February 1998, based on the first year implementation experience of coalition members.

## PERFORMANCE DATA TABLE

**ORGANIZATION/PROGRAM:** USAID PHILIPPINES  
**STRATEGIC OBJECTIVE:** ASSISTANCE TO AMERASIANS (SpO)  
**APPROVED:** March 30, 1995

<b>INDICATOR:</b>		Socio-cultural and economic integration of Filipino Amerasians	
<b>UNIT OF MEASURE:</b>		Percent (%) of Amerasian families receiving preventive health care training	
<b>SOURCE DOCUMENT:</b>		Baseline and periodic evaluation surveys and semi-annual reports	
<b>SOURCE ORGANIZATION:</b>		Grantee	
YEAR	PLANNED LOW	PLANNED HIGH	ACTUAL
1996			0
1997	30 % (900)		52 % (1,556)
1998	60 % (1,800)		87 % (2,599)
1999	90 % (2,700)		

**COMMENTS:**

The target population of Amerasians and caregivers is estimated at 3,000 of which 90 percent will be provided with health care training services. This is a subset of a larger group estimated at 12,000. Annual evaluation is planned.

## **PART III. RESOURCE REQUEST**

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### **A. FINANCIAL PLAN**

From FY 1996-1998, USAID Philippines Development Assistance (DA) levels averaged \$50.4 million. In FY 1999, DA levels dropped to \$27.15 million, and \$6.5 million Accelerated Economic Recovery in Asia (AERA) funds have been proposed. For FY 2000, the Mission is requesting \$40 million DA, \$12.3 million AERA and \$5.0 million Economic Support Fund (ESF), a total of \$57.3 million. For FY 2001, the Mission is requesting \$40.0 million DA, \$6.0 million AERA, and \$5.0 million ESF.

Based upon discussions with the ANE Bureau, the planned DA funding level for the modified strategy is \$40 million per year. However, the availability of pipeline as well as AERA funds and ESF will permit expenditure levels in the range of \$70 million per year, at least through FY 2001 or 2002. At the end of FY 2001, however, we will no longer have sufficient funding to cover projected 12 months of expenditures.

To ensure compliance with the new 12-month forward funding guidelines, the Mission has established systems to conduct expenditures and pipeline reviews on a quarterly basis. We also have deobligated approximately \$4.6 million of excess MAI funds. Pending approval from Washington, these funds will be reobligated into strategic objectives whose needs cannot be met from the FY 1999. If necessary, the Mission will transfer additional funds from SOs that have excessive pipelines to those that are falling short of funding.

Funding decisions were based on pipelines resulting from the SO teams' expenditure projections. However, we relied on historical actual expenditure and disbursement rates to ensure these estimates were reasonable. This verification process was important because it allowed us to determine which activities were expected to increase expenditures after normal delays in start-up. The Mission had an excess pipeline of approximately \$43.1 million at the end of FY 1998. Expenditure rates are expected to accelerate significantly in FY 1999, reducing the pipeline to slightly more than the 12 months forward funding requirements at the end of FY 1999. The pipeline at the end of FY 2000 is projected to be 28% below the projected expenditures of FY 2001. At the end of FY 2001, the pipeline is expected to be 67% below FY 2002 projected expenditures.

SO1 (Accelerating the Economic Transformation of Mindanao). The Mission is receiving \$2.25 million in FY 1999, and requesting \$8.5 million (\$5 million DA and \$3.5 million ESF) in FY 2000 and \$6.5 million (\$3.0 million DA and \$3.5 million ESF) in FY 2001. In addition, \$467,000 of deobligated MAI funds will be reobligated to SO1 in FY 1999. Estimated pipeline at the end of FY 1999, 2000, and 2001 will all be below the 12-months forward funding limitation. To further support the peace process in Mindanao, ESF funds are urgently needed to intensify enterprise development and investment promotion activities in the Muslim communities under the SZOPAD Accelerated Enterprise Development Program and expand assistance to cover 10,000 more ex-combatants under the Emergency Livelihood Assistance Program. If these

funds were not received, we would consider reducing the number of additional ex-combatants.

SO2 (Improved National Systems for Trade and Investment). The Mission is requesting \$3.5 million in FY 1999 (all AERA), \$7.5 million in FY 2000 (all AERA), and \$5.0 million in FY 2001 (\$2.0 million DA and \$3.0 million in AERA). While estimated pipeline at the end of FY 1999 will exceed the forward funding limitation, expenditure rates are expected to accelerate significantly in FY 2000 and bring the pipeline to a level equal to the 12-months forward funding guidelines. Pipeline at the end of FY 2001 will be below the 12-months forward funding limitation. It is important that we receive the funding levels requested for SO2 to institute critical policy reforms that will enable the Philippines to recover from the Asian Financial Crisis.

SO3 (Reduced Fertility and Improved Maternal and Child Health). In FY 1999, the Mission is receiving \$18.5 million DA. We have been promised an additional \$2.2 million in AERA funds for “improving targeting, coverage and availability of programs for vulnerable populations.” The Bureau’s proposed allocation does not meet our urgent requirements for \$250,000 to prevent dengue hemorrhagic fever (see AERA budget table below). We request that \$1.95 million of the \$2.2 million AERA funds be allocated for SO 3 activities in Vitamin A, health care financing, surveillance and integrated management of childhood illnesses, with the remaining \$250,000 allocated to SpO1 dengue activities.

The Mission also did not receive the \$2.6 in CSD funds needed to meet child survival and micronutrient commitments. Thus, we plan to cover this shortfall from the MAI funds already deobligated. For FY 2000, the Mission is requesting \$20.05 million (\$16.9 million DA and \$3.15 million AERA, out of the \$3.5 million AEARA planned for the Mission). This includes a CSD requirement of \$5.63 million. For FY 2001, the Mission is requesting \$20.4 million (\$18.4 million DA, \$2.0 million AERA). This includes a CSD requirement of \$4.25 million. These funds are required to fund the increased emphasis of the SO on using the private sector to provide family planning services. Estimated pipeline at the end of FY 1999 will be only slightly above the 12-months forward funding limitation. At the end of FY 2000 and 2001, pipeline will be below the 12-months forward funding limitation.

SpO1 (Rapid Increase of HIV/AIDS Prevented). SpO1 will receive \$4.4 million in DA in FY 1999. However, it is critical that \$250,000 of the \$2.2 million in FY 1999 AERA funds promised to the Mission for health be allocated for SpO1 dengue prevention activities because of the high probability of another dengue epidemic far worse than the one in 1998. For FY 2000, the Mission is requesting \$350,000 in AERA for dengue prevention (out of the \$3.5 million planned for the Mission).

We also are requesting \$3.6 million and \$1.9 million in DA for FY 2000 and FY 2001, respectively. These funds would enable the Mission to initiate its new program to prevent infectious diseases, such as dengue, malaria and tuberculosis. SpO1 is the only SO/SpO with an end of FY pipeline that exceeds the 12 months forward funding limitation in FY 1999 and FY 2000. The declining level of resources will bring SpO1 within the 12-month forward funding limitation by the end of FY 2001. Since funds for SpO1 are all earmarked for HIV/AIDS and

Infectious Diseases, the Mission is restricted from moving any excess pipelines to other SOs.

SO4 (Enhanced Management of Renewable Natural Resources). SO4 will not receive new funding in FY 1999. This is the second straight year that SO4 is not getting additional OYB. The Mission is requesting \$5.0 million DA in FY 2000 and \$6.0 million DA in FY 2001. Such funding will help the Mission play an important role in preserving biodiversity in the Philippines, one of the world's most important vulnerable countries, and allow a refocusing of community resource management on large ecological zones such as watersheds. Estimated pipeline at the end of FY 1999 is approximately equal to the 12-months forward funding limitation. Pipelines at the end of FY 2000 and 2001 are way below the 12-months forward funding.

SO5 (Reduced Emissions of Greenhouse Gases). SO5 will not receive any new funds in FY 1999 but will obligate \$1.2 million in FY 1998 carryover funds. The Mission is requesting \$4.0 million DA in FY 2000 and \$4.75 million DA in FY 2001. These funds will enable the Mission to play an important role in the privatization and restructuring of the power sector and stimulate increased use of renewables. At the end of FY 1999, SO5 is projected to have a pipeline that is about \$3.0 million less than the succeeding 12 months funding requirements. At the end of FY 2000 and 2001, SO5 is expected to have a serious shortfall. We will revisit this issue during our next pipeline review.

SO6 (Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas). In FY 1999, SO6 will receive \$2.8 million (\$2.0 million DA and \$0.8 million AERA). For FY 2000, the Mission is requesting \$8.3 million (\$5.5 million DA, \$1.3 million AERA, and \$1.5 million ESF). For FY 2001, the Mission is requesting \$6.45 million (\$3.95 million DA, \$1.0 million AERA, and \$1.5 million ESF). These funds will enable the Mission to roll out successful modules of local governance, promote sustainability of civil society, and improve the transparency of national government institutions. At the end of FY 1999, SO6's pipeline is already below the 12-months funding requirements, and continued to be so in subsequent years. The requested ESF funds in FY 2000 and beyond are badly needed to support justice and anti-corruption activities. To provide partial relief to the funding shortages in SO6, the Mission plans to reobligate in FY 1999 \$1.4 million of the deobligated MAI funds.

## AERA BUDGET TABLE (Figures in \$ Millions)

Key Results	Bureau Proposal		Mission Proposal	
	FY 99	FY 00	FY 99	FY 00
1. Corporate/Bank Restructuring Accelerated	\$1.00	\$1.50	\$1.0 (SO2)	\$1.00 (SO2)
2. Financial/Capital Markets Reformed	\$2.00	\$4.00	\$2.0 (SO2)	\$4.00 (SO2)
3. Selected Public Sector Operations Reformed	\$1.30	\$3.30	\$0.5 (SO2) \$0.8 (SO6)	\$2.00 (SO2) \$1.30 (SO6)
4. Targeting, Coverage and Availability	\$2.20	\$3.50	\$2.20	\$3.50
- Vitamin A	\$0.75		\$0.75 (SO3)	\$0.60 (SO3)
- IMCI	\$0.75		\$0.75 (SO3)	\$0.70 (SO3)
- Health Care Financing	\$0.20		\$0.20 (SO3)	\$1.40 (SO3)
- Surveillance	\$0.50		\$0.25 (SO3)	\$0.45 (SO3)
- Dengue	-		\$0.25 (SpO1)	\$0.35 (SpO1)
5. Additional Management Costs	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$6.50</b>	<b>\$12.30</b>	<b>\$6.50</b>	<b>\$12.30</b>

### B. LINKAGE WITH CENTRALLY FUNDED MECHANISMS

For SO3, the Mission is requesting \$5.0 million in FY 1999, \$6.0 million in FY 2000, and \$7.3 million in FY 2001 in global field support to cover commodities and technical assistance in such key areas as contraceptive procurement, logistics, communications, commercial marketing, policy planning and operations research. The amounts requested are significantly lower than the global field support funds for the previous years.

For SpO1, the Mission is requesting \$1.1 million in FY 1999, \$1.0 million in FY 2000, and \$600,000 in FY 2001 to cover technical assistance from the IMPACT activity of G/PHN/HIV/AIDS as well as technical support from the US Centers for Disease Control (CDC). IMPACT provides the Mission state-of-the-art support for our STI prevention activities, will fill in important gaps in understanding the STI problem in the Philippines, and will refine the prevention response to accelerate the progress that has been made to date. The US CDC will provide technical assistance to the Department of Health for improved capacities for national and local epidemiological surveillance.

### C. WORKFORCE AND OE

Financial and Human Resource Requirements. For fiscal years 2000 and 2001, USAID/Philippines will require the following levels of financial and human resources to be able to manage our program responsibly, achieve the results described in this R-4 submission and effectively implement our revised strategy:

<b>Financial Resources (in millions)</b>	<b><u>FY 1999</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>
Dollar O.E (includes ICASS)	\$2.350	\$2.350	\$2.350
Trust Funds	\$2.500	\$2.400	\$2.400
<b>Total O.E. Resources (in millions)</b>	<b>\$4.850</b>	<b>\$4.750</b>	<b>\$4.750</b>
ICASS (included in Total OE)	\$0.159	\$0.165	\$0.165
<b>Human Resources</b>	<b><u>FY 1999</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>
USDH	16	16	16
Non-USDH	123	123	123

Staffing and OE. It is critical that US\$ OE and staffing for FYs 2000 and 2001 are maintained at the FY 1999 level of \$2.350 million and 16 USDHs, respectively.

Trust Fund. Due to budgetary constraints resulting from the crisis, the GOP has reduced the Mission's FY 1999 trust fund allocation by more than 50%. We are currently discussing with the GOP ways to meet future requirements such as using interest earnings from trust funds, proceeds from sales of non-expendable property and other feasible options. Based on various assumptions (i.e., interest and exchange rates), it is estimated that we should have sufficient trust funds until FY 2001. USAID/Philippines will provide periodic status updates to ANE.

Relocation of USAID Office. Due to security concerns, the Ambassador would like to relocate USAID office operations to the Embassy compound as quickly as possible. The construction, to be funded by USAID, will take between three and five years. During the interim, USAID would stay at the current location with revised security enhancements. This proposed move to the Embassy compound would result in a substantial increase in US\$ OE costs, since most of our current building costs is funded by Peso Trust Funds (more than 50% of our OE). We will keep USAID/Washington updated on the status of the move.

Consolidation of USAID Housing and Leasing Services under the U.S. Embassy. Under the recent Department of State and USAID reorganization guidance, USAID may have to join the Embassy housing pool and services under ICASS. We are currently discussing viable options to ensure that the most cost-effective services are provided given our budget constraints. Given that our housing and leasing services are currently funded by Peso Trust Funds, this would result in increased US\$ OE costs. We will keep USAID/Washington updated on the status of these negotiations.

**FY 1999 BUDGET REQUEST BY PROGRAM/COUNTRY**  
**Program/Country: PHILIPPINES**

13-Apr-99

10:12 AM

Appropriation Account: DA (including AERA)

Scenario: Base Leve

S.O. # , Title		FY 1999 Request													Est. Expend. FY 99	Est. SO Pipeline at End of FY 99
	Bilateral/ Field Support	FY 1999 Total Request	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Popula-tion	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
S.O. 1 - Accelerate the Economic Transformation of Mindanao																
	Bilateral	2,250		2,250											13,247	10,753
	Field Spt	0														
		2,250	0	2,250	0	0	0	0	0	0	0	0	0	0	13,247	10,753
S.O. 2 - Improved National Systems for Trade and Investment																
	Bilateral	3,500			3,500										9,735	17,750
	Field Spt	0														
		3,500	0	0	3,500	0	0	0	0	0	0	0	0	0	9,735	17,750
S.O. 3 - Reduced Fertility Rate and Improved Maternal and Child Health																
	Bilateral	15,450						13,500	1,950						19,490	21,387
	Field Spt	5,000						5,000	0							
		20,450	0	0	0	0	0	18,500	1,950	0	0	0	0	0	19,490	21,387
S.O.4 - Enhanced Management of Renewable Natural Resources																
	Bilateral	0													18,415	10,955
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	18,415	10,955
S.O. 5 - Reduced Emissions of Greenhouse Gases																
	Bilateral	0													6,333	2,495
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	6,333	2,495
S.O. 6 - Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas																
	Bilateral	2,800												2,800	11,145	8,211
	Field Spt	0														
		2,800	0	0	0	0	0	0	0	0	0	0	0	2,800	11,145	8,211
SpO 1 - Rapid Increase of HIV/AIDS Prevented																
	Bilateral	3,550								1,550	2,000				3,784	4,934
	Field Spt	1,100								600	500					
		4,650	0	0	0	0	0	0	0	2,150	2,500	0	0	0	3,784	4,934
Total Bilateral		27,550	0	2,250	3,500	0	0	13,500	1,950	1,550	2,000	0	0	2,800	82,149	76,485
Total Field Support		6,100	0	0	0	0	0	5,000	0	600	500	0	0	0	0	0
TOTAL PROGRAM		33,650	0	2,250	3,500	0	0	18,500	1,950	2,150	2,500	0	0	2,800	82,149	76,485

FY 1999 Request Agency Goal Totals	
Econ Growth	5,750
Democracy	2,800
HCD	0
PHN	25,100
Environment	0
Program ICASS	26
GCC (from all Goals)	0

FY 1999 Request Sector Totals -- DA	
Dev. Assist Program	27,050
Dev. Assist ICASS	26
Dev. Assist Total:	27,076
CSD Program	6,600
CSD ICASS	
CSD Total:	6,600



**FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY**  
**Program/Country: PHILIPPINES**

13-Apr-99

10:12 AM

Appropriation Account: DA (including AERA)

Scenario: Base Leve

S.O. # , Title		FY 2000 Request													Est. Expend. FY 00	Est. SO Pipeline at End of FY 00
	Bilateral/ Field Support	FY 2000 Total Request	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Popula-tion	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
S.O. 1 - Accelerate the Economic Transformation of Mindanao																
	Bilateral	5,000	1,500	2,200	1,300										12,037	3,716
	Field Spt	0														
		5,000	1,500	2,200	1,300	0	0	0	0	0	0	0	0	0	12,037	3,716
S.O. 2 - Improved National Systems for Trade and Investment																
	Bilateral	7,500			7,500										12,184	13,066
	Field Spt	0														
		7,500	0	0	7,500	0	0	0	0	0	0	0	0	0	12,184	13,066
S.O. 3 - Reduced Fertility Rate and Improved Maternal and Child Health																
	Bilateral	14,050						8,920	5,130						20,495	14,942
	Field Spt	6,000						5,500	500							
		20,050	0	0	0	0	0	14,420	5,630	0	0	0	0	0	20,495	14,942
S.O.4 - Enhanced Management of Renewable Natural Resources																
	Bilateral	5,000											5,000		10,698	5,257
	Field Spt	0														
		5,000	0	0	0	0	0	0	0	0	0	0	5,000	0	10,698	5,257
S.O. 5 - Reduced Emissions of Greenhouse Gases																
	Bilateral	4,000											4,000		5,448	1,047
	Field Spt	0														
		4,000	0	0	0	0	0	0	0	0	0	0	4,000	0	5,448	1,047
S.O. 6 - Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas																
	Bilateral	6,800												6,800	10,245	4,766
	Field Spt	0														
		6,800	0	0	0	0	0	0	0	0	0	0	0	6,800	10,245	4,766
SpO 1 - Rapid Increase of HIV/AIDS Prevented																
	Bilateral	2,950								1,650	1,300				3,540	4,344
	Field Spt	1,000								600	400					
		3,950	0	0	0	0	0	0	0	2,250	1,700	0	0	0	3,540	4,344
Total Bilateral		45,300	1,500	2,200	8,800	0	0	8,920	5,130	1,650	1,300	0	9,000	6,800	74,647	47,138
Total Field Support		7,000	0	0	0	0	0	5,500	500	600	400	0	0	0	0	0
TOTAL PROGRAM		52,300	1,500	2,200	8,800	0	0	14,420	5,630	2,250	1,700	0	9,000	6,800	74,647	47,138

FY 2000 Request Agency Goal Totals	
Econ Growth	12,500
Democracy	6,800
HCD	0
PHN	24,000
Environment	9,000
Program ICASS	91
GCC (from all Goals)	4,000

FY 2000 Request Sector Totals -- DA	
Dev. Assist Program	42,720
Dev. Assist ICASS	91
Dev. Assist Total:	42,811
CSD Program	9,580
CSD ICASS	
CSD Total:	9,580

**FY 2001 BUDGET REQUEST BY PROGRAM/COUNTRY**  
**Program/Country: PHILIPPINES**

13-Apr-99

10:12 AM

Appropriation Account: DA (Including AERA)

Scenario: Base Leve

S.O. # , Title		FY 2001 Request													Est. Expend. FY 01	Est. SO Pipeline at End of FY 01
	Bilateral/ Field Support	FY 2001 Total Request	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Popula-tion	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
S.O. 1 - Accelerate the Economic Transformation of Mindanao																
	Bilateral Field Spt	3,000 0	1,500		1,500										6,716	0
		3,000	1,500	0	1,500	0	0	0	0	0	0	0	0	0	6,716	0
S.O. 2 - Improved National Systems for Trade and Investment																
	Bilateral Field Spt	5,000 0			5,000										12,184	5,882
		5,000	0	0	5,000	0	0	0	0	0	0	0	0	0	12,184	5,882
S.O. 3 - Reduced Fertility Rate and Improved Maternal and Child Health																
	Bilateral Field Spt	13,100 7,300 20,400						9,450 6,700 16,150	3,650 600 4,250						20,495	7,547
			0	0	0	0	0			0	0	0	0	0	20,495	7,547
S.O.4 - Enhanced Management of Renewable Natural Resources																
	Bilateral Field Spt	6,000 0											6,000		10,698	559
		6,000	0	0	0	0	0	0	0	0	0	0	6,000	0	10,698	559
S.O. 5 - Reduced Emissions of Greenhouse Gases																
	Bilateral Field Spt	4,750 0											4,750		5,448	349
		4,750	0	0	0	0	0	0	0	0	0	0	4,750	0	5,448	349
S.O. 6 - Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas																
	Bilateral Field Spt	4,950 0												4,950	8,745	971
		4,950	0	0	0	0	0	0	0	0	0	0	0	4,950	8,745	971
SpO 1 - Rapid Increase of HIV/AIDS Prevented																
	Bilateral Field Spt	1,300 600 1,900								1,300 600 1,900					3,540	2,104
			0	0	0	0	0	0	0		0	0	0	0	3,540	2,104
Total Bilateral		38,100	1,500	0	6,500	0	0	9,450	3,650	1,300	0	0	10,750	4,950	67,826	17,412
Total Field Support		7,900	0	0	0	0	0	6,700	600	600	0	0	0	0	0	0
TOTAL PROGRAM		46,000	1,500	0	6,500	0	0	16,150	4,250	1,900	0	0	10,750	4,950	67,826	17,412

FY 2001 Request Agency Goal Totals	
Econ Growth	8,000
Democracy	4,950
HCD	0
PHN	22,300
Environment	10,750
Program ICASS	91
GCC (from all Goals)	4,750

FY 2001 Request Sector Totals -- DA	
Dev. Assist Program	39,850
Dev. Assist ICASS	91
Dev. Assist Total:	39,941
CSD Program	6,150
CSD ICASS	
CSD Total:	6,150

**FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY**  
**Program/Country: PHILIPPINES**

13-Apr-99

10:12 AM

Appropriation Account: ESF

Scenario: Base Leve

S.O. # , Title		FY 2000 Request													Est. Expend. FY 00	Est. SO Pipeline at End of FY 00
	Bilateral/ Field Support	FY 2000 Total Request	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Popula-tion	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
S.O. 1 - Accelerate the Economic Transformation of Mindanao																
	Bilateral	3,500	0		3,500										3,500	
	Field Spt	0														
		3,500	0	0	3,500	0	0	0	0	0	0	0	0	0	3,500	
S.O. 2 - Improved National Systems for Trade and Investment																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
S.O. 3 - Reduced Fertility Rate and Improved Maternal and Child Health																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
S.O.4 - Enhanced Management of Renewable Natural Resources																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
S.O. 5 - Reduced Emissions of Greenhouse Gases																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
S.O. 6 - Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas																
	Bilateral	1,500												1,500	1,500	
	Field Spt	0														
		1,500	0	0	0	0	0	0	0	0	0	0	0	1,500	1,500	
SpO 1 - Rapid Increase of HIV/AIDS Prevented																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral		5,000	0	0	3,500	0	0	0	0	0	0	0	0	1,500	5,000	
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PROGRAM		5,000	0	0	3,500	0	0	0	0	0	0	0	0	1,500	5,000	

FY 2000 Request Agency Goal Totals	
Econ Growth	3,500
Democracy	1,500
HCD	0
PHN	0
Environment	0
Program ICASS	#VALUE!
GCC (from all Goals)	0

FY 2000 Request Sector Totals -- ESF	
Dev. Assist Program	5,000
Dev. Assist ICASS	
Dev. Assist Total:	5,000
CSD Program	0
CSD ICASS	
CSD Total:	0

**FY 2001 BUDGET REQUEST BY PROGRAM/COUNTRY**  
**Program/Country: PHILIPPINES**

13-Apr-99

10:12 AM

Appropriation Account: ESF

Scenario: Base Leve

S.O. # , Title		FY 2001 Request													Est. Expend. FY 01	Est. SO Pipeline at End of FY 01
	Bilateral/ Field Support	FY 2001 Total Request	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Popula-tion	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
S.O. 1 - Accelerate the Economic Transformation of Mindanao																
	Bilateral	3,500	0		3,500										3,500	0
	Field Spt	0														
		3,500	0	0	3,500	0	0	0	0	0	0	0	0	0	3,500	3,500
S.O. 2 - Improved National Systems for Trade and Investment																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S.O. 3 - Reduced Fertility Rate and Improved Maternal and Child Health																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S.O.4 - Enhanced Management of Renewable Natural Resources																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S.O. 5 - Reduced Emissions of Greenhouse Gases																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S.O. 6 - Broadened Participation in the Formulation and Implementation of Public Policies in Selected Areas																
	Bilateral	1,500												1,500	1,500	1,500
	Field Spt	0														
		1,500	0	0	0	0	0	0	0	0	0	0	0	1,500	1,500	1,500
SpO 1 - Rapid Increase of HIV/AIDS Prevented																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		5,000	0	0	3,500	0	0	0	0	0	0	0	0	1,500	5,000	1,500
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		5,000	0	0	3,500	0	0	0	0	0	0	0	0	1,500	5,000	5,000

FY 2000 Request Agency Goal Totals	
Econ Growth	3,500
Democracy	1,500
HCD	0
PHN	0
Environment	0
Program ICASS	#VALUE!
GCC (from all Goals)	0

FY 2000 Request Sector Totals -- ESF	
Dev. Assist Program	5,000
Dev. Assist ICASS	
Dev. Assist Total:	5,000
CSD Program	0
CSD ICASS	
CSD Total:	0

# GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1999		FY 2000		FY 2001	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 3: Reduced Fertility Rate and Improved Maternal and Child Health									
	Policy (936-3078)	High	3		1,000		500		500
	AVSC (936-3068.02)	High	3		500				
	JHU/PCS (936-3052)	High	3		1,000		1,000		1,000
	Georgetown NFP (97-3088)	Medium-High	3		200				200
	Central Contraceptives (936-3057)	High	3		1,500		4,000		5,000
	New Micronutrient Project	High			800		500		600
	Subtotal				5,000		6,000		7,300
SpO: Rapid Increase of HIV/AIDS Prevented									
	IMPACT (RP2 97-3092)	Medium-High	3		500		500		
	US Center for Disease Control	High	3		600		500		600
	Subtotal				1,100		1,000		600
GRAND TOTAL.....				----	6,100	----	7,000	----	7,900

\*For Priorities use high, medium-high, medium, medium-low, low

Org: USAID/Manila End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 1999 Estimate</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SO 6	SpO1									
<b>OE Funded: 1/</b>																
U.S. Direct Hire	1	1	1.5	1.5	0.5	2	0.5	8	2	2	1	1	1	1	8	16
Other U.S. Citizens								0			2				2	2
FSN/TCN Direct Hire								0		2	3				5	5
Other FSN/TCN	3.5	3.5	3	2	1	7	1	21	2	19	36	6		7	70	91
Subtotal	4.5	4.5	4.5	3.5	1.5	9	1.5	29	4	23	42	7	1	8	85	114
<b>Program Funded 1/</b>																
U.S. Citizens	3	2	1	1	1			8						1	1	9
FSNs/TCNs		1	3	5	1	5	1	16							0	16
Subtotal	3	3	4	6	2	5	1	24	0	0	0	0	0	1	1	25
Total Direct Workforce	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139

Org: USAID/Manila End of year On-Board	SO 1	SO 2	SO 3	SO 4	SO 5	SO 6	SpO1	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2000 Target</b>																
<b>OE Funded: 1/</b>								0								
U.S. Direct Hire	1	1	1.5	1.5	0.5	2	0.5	8	2	2	1	1	1	1	8	16
Other U.S. Citizens								0			2				2	2
FSN/TCN Direct Hire								0		2	3				5	5
Other FSN/TCN	3.5	3.5	3	2	1	7	1	21	2	19	36	6		7	70	91
Subtotal	4.5	4.5	4.5	3.5	1.5	9	1.5	29	4	23	42	7	1	8	85	114
<b>Program Funded 1/</b>																
U.S. Citizens	3	2	1	1	1			8						1	1	9
FSNs/TCNs		1	3	5	1	5	1	16							0	16
Subtotal	3	3	4	6	2	5	1	24	0	0	0	0	0	1	1	25
Total Direct Workforce	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139

<b>FY 2000 Request</b>																
<b>OE Funded: 1/</b>								0								
U.S. Direct Hire	1	1	1.5	1.5	0.5	2	0.5	8	2	2	1	1	1	1	8	16
Other U.S. Citizens								0			2				2	2
FSN/TCN Direct Hire								0		2	3				5	5
Other FSN/TCN	3.5	3.5	3	2	1	7	1	21	2	19	36	6		7	70	91
Subtotal	4.5	4.5	4.5	3.5	1.5	9	1.5	29	4	23	42	7	1	8	85	114
<b>Program Funded 1/</b>																
U.S. Citizens	3	2	1	1	1			8						1	1	9
FSNs/TCNs		1	3	5	1	5	1	16							0	16
Subtotal	3	3	4	6	2	5	1	24	0	0	0	0	0	1	1	25
Total Direct Workforce	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139

Org: USAID/Manila End of year On-Board								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2001 Target</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SO 6	SpO1									
<b>OE Funded: 1/</b>																
U.S. Direct Hire	1	1	1.5	1.5	0.5	2	0.5	8	2	2	1	1	1	1	8	16
Other U.S. Citizens								0			2				2	2
FSN/TCN Direct Hire								0		2	3				5	5
Other FSN/TCN	3.5	3.5	3	2	1	7	1	21	2	19	36	6		7	70	91
Subtotal	4.5	4.5	4.5	3.5	1.5	9	1.5	29	4	23	42	7	1	8	85	114
<b>Program Funded 1/</b>																
U.S. Citizens	3	2	1	1	1			8						1	1	9
FSNs/TCNs		1	3	5	1	5	1	16							0	16
Subtotal	3	3	4	6	2	5	1	24	0	0	0	0	0	1	1	25
Total Direct Workforce	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139

<b>FY 2001 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	1	1	1.5	1.5	0.5	2	0.5	8	2	2	1	1	1	1	8	16
Other U.S. Citizens								0			2				2	2
FSN/TCN Direct Hire								0		2	3				5	5
Other FSN/TCN	3.5	3.5	3	2	1	7	1	21	2	19	36	6		7	70	91
Subtotal	4.5	4.5	4.5	3.5	1.5	9	1.5	29	4	23	42	7	1	8	85	114
<b>Program Funded 1/</b>																
U.S. Citizens	3	2	1	1	1			8						1	1	9
FSNs/TCNs		1	3	5	1	5	1	16							0	16
Subtotal	3	3	4	6	2	5	1	24	0	0	0	0	0	1	1	25
Total Direct Workforce	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	7.5	7.5	8.5	9.5	3.5	14	2.5	53	4	23	42	7	1	9	86	139



**USDH STAFFING REQUIREMENTS BY SKILL CODE**

<b>BACKSTOP (BS)</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002</b>
01 SMG	2	2	2	2
02 Program Officer	1	1	1	1
03 EXO	1	1	1	1
04 Controller	2	2	2	2
05/06/07 Secretary				
10 Agriculture				
11 Economics	2	2	2	2
12 GDO	1	1	1	1
12 Democracy	1	1	1	1
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment	2	2	2	2
50 Health/Pop.	2	2	2	2
60 Education				
75 Physical Sciences				
85 Legal	1	1	1	1
92 Commodity Mgt				
93 Contract Mgt	1	1	1	1
94 PDO				
95 IDI				
Other*				
<b>TOTAL</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>

Please e-mail this worksheet  
in either Lotus or Excel to:  
Maribeth Zankowski  
@hr.ppim@aidw  
as well as include it with  
your R4 submission.

\*please list occupations covered by other if there are any

**Operating Expense**

Org. Title: USAID/MANILA Org. No: 23492		Operating Expense														
		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC	3/26/99	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent															
11.1	Base Pay & pymt. for annual leave balances - FNDH	67.8		67.8	73.3		73.3			0	80.6		80.6			0
	Subtotal OC 11.1	67.8	0	67.8	73.3	0	73.3	0	0	0	80.6	0	80.6	0	0	0
11.3	Personnel comp. - other than full-time permanent															
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation															
11.5	USDH			0			0			0			0			0
11.5	FNDH	16.1		16.1	17.6		17.6			0	19.4		19.4			0
	Subtotal OC 11.5	16.1	0	16.1	17.6	0	17.6	0	0	0	19.4	0	19.4	0	0	0
11.8	Special personal services payments															
11.8	USPSC Salaries	255.3		255.3	320.9		320.9			0	293.7		293.7			0
11.8	FN PSC Salaries		1114.3	1114.3		1170	1170			0		1228.5	1228.5			0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	255.3	1114.3	1369.6	320.9	1170	1490.9	0	0	0	293.7	1228.5	1522.2	0	0	0
12.1	Personnel benefits															
12.1	USDH benefits															
12.1	Educational Allowances	133		133	195.5		195.5			0	255		255			0
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits	20.1		20.1	27.2		27.2			0	10		10			0
12.1	FNDH Benefits															
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits	13.1		13.1	14.2		14.2			0	15.4		15.4			0
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits															
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0	1.5		1.5			0
12.1	Other FN PSC Benefits		30	30		30	30			0		30	30			0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	166.2	30	196.2	236.9	30	266.9	0	0	0	281.9	30	311.9	0	0	0
13.0	Benefits for former personnel															

**Operating Expense**

Org. Title: USAID/MANILA Org. No: 23492		Operating Expenses														
		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC	3/26/99	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
Subtotal OC 13.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	90		90	79.8		79.8			0	79.8		79.8			0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	18		18	25.6		25.6			0	34.5		34.5			0
21.0	Assignment to Washington Travel			0			0			0			0			0
21.0	Home Leave Travel	48.5		48.5	39.5		39.5			0	47.3		47.3			0
21.0	R & R Travel	28.8		28.8	40		40			0	61.6		61.6			0
21.0	Education Travel	2.7		2.7	6		6			0	3.3		3.3			0
21.0	Evacuation Travel	11		11			0			0			0			0
21.0	Retirement Travel	2		2			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel	35.2		35.2			0			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	15		15	8		8			0	8		8			0
21.0	Site Visits - Mission Personnel	135.7	40	175.7	120	40	160			0	80	40	120			0
21.0	Conferences/Seminars/Meetings/Retreats	130		130	80		80			0	40		40			0
21.0	Assessment Travel	50	1	51	25	1	26			0	25	1	26			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	1.5	3.5	5	1.5	3.5	5			0	1.5	3.5	5			0
Subtotal OC 21.0		568.4	44.5	612.9	425.4	44.5	469.9	0	0	0	381	44.5	425.5	0	0	0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	56.4		56.4	80.4		80.4			0	97.7		97.7			0
22.0	Home Leave Freight	15.4		15.4	13.0		13			0	14.1		14.1			0
22.0	Retirement Freight	20.7		20.7			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	2.7		2.7	2.1		2.1			0	3		3			0
22.0	Transportation/Freight for Res. Furniture/Equip.	2.4		2.4	1		1			0	1		1			0
Subtotal OC 22.0		97.6	0	97.6	96.5	0	96.5	0	0	0	115.8	0	115.8	0	0	0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

**Operating Expense**

Org. Title: USAID/MANILA Org. No: 23492		Operating Expenses															Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request																	
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total															
OC	3/26/99																														
23.2	Rental Payments to Others - Office Space		369.1	369.1	78.6	327.4	406			0	171.5	275.1	446.6			0															
23.2	Rental Payments to Others - Warehouse Space		71.4	71.4		78.6	78.6			0		88.2	88.2			0															
23.2	Rental Payments to Others - Residences	365.4		365.4	371.4		371.4			0	406.0		406			0															
	Subtotal OC 23.2	365.4	440.5	805.9	450	406	856	0	0	0	577.5	363.3	940.8	0	0	0															
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line																	
23.3	Office Utilities		104.4	104.4		100	100			0		100	100			0															
23.3	Residential Utilities		86.5	86.5		80	80			0		80	80			0															
23.3	Telephone Costs	8.1	78.8	86.9	8.5	80	88.5			0	8.9	80	88.9			0															
23.3	ADP Software Leases			0			0			0			0			0															
23.3	ADP Hardware Lease			0			0			0			0			0															
23.3	Commercial Time Sharing			0			0			0			0			0															
23.3	Postal Fees (Other than APO Mail)	2.5	1.5	4	2.5	1.5	4			0	2.5	1.5	4			0															
23.3	Other Mail Service Costs			0			0			0			0			0															
23.3	Courier Services		6	6		6.6	6.6			0		7.3	7.3			0															
	Subtotal OC 23.3	10.6	277.2	287.8	11	268.1	279.1	0	0	0	11.4	268.8	280.2	0	0	0															
24.0	Printing and Reproduction	6.4	8.4	14.8	6.7	8.8	15.5			0	7	9.2	16.2			0															
	Subtotal OC 24.0	6.4	8.4	14.8	6.7	8.8	15.5	0	0	0	7	9.2	16.2	0	0	0															
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line																	
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0															
25.1	Management & Professional Support Services	60	25	85	20		20			0	20		20			0															
25.1	Engineering & Technical Services			0			0			0			0			0															
	Subtotal OC 25.1	60	25	85	20	0	20	0	0	0	20	0	20	0	0	0															
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line																	
25.2	Office Security Guards		59.6	59.6		58.4	58.4			0		63.3	63.3			0															
25.2	Residential Security Guard Services		11	11		10.7	10.7			0		11.7	11.7			0															
25.2	Official Residential Expenses			0			0			0			0			0															
25.2	Representation Allowances	1		1	1		1			0	1		1			0															
25.2	Non-Federal Audits	10		10	10		10			0			0			0															
25.2	Grievances/Investigations			0			0			0			0			0															
25.2	Insurance and Vehicle Registration Fees	3.4	0.5	3.9	3.4	0.5	3.9			0	3.4	0.5	3.9			0															
25.2	Vehicle Rental			0			0			0			0			0															
25.2	Manpower Contracts	5	104.2	109.2	5	109.4	114.4			0	5	100	105			0															
25.2	Records Declassification & Other Records Services			0			0			0			0			0															
25.2	Recruiting activities			0			0			0			0			0															
25.2	Penalty Interest Payments			0			0			0			0			0															

**Operating Expense**

Org. Title: USAID/MANILA Org. No: 23492		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
OC	3/26/99															
25.2	Other Miscellaneous Services	6	39.6	45.6	6.3	41.6	47.9	0			6.6	41.6	48.2	0		
25.2	Staff training contracts	15	8.9	23.9		8.9	8.9	0				8.9	8.9	0		
25.2	ADP related contracts		6	6		3.5	3.5	0				3.9	3.9	0		
	Subtotal OC 25.2	40.4	229.8	270.2	25.7	233	258.7	0	0	0	16	229.9	245.9	0	0	0
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	159		159	164.9		164.9	0			181.4		181.4	0		
25.3	All Other Services from Other Gov't. accounts			0			0	0					0	0		
	Subtotal OC 25.3	159	0	159	164.9	0	164.9	0	0	0	181.4	0	181.4	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance		17.2	17.2		18.1	18.1	0				18.1	18.1	0		
25.4	Residential Building Maintenance		10	10		10	10	0				10	10	0		
	Subtotal OC 25.4	0	27.2	27.2	0	28.1	28.1	0	0	0	0	28.1	28.1	0	0	0
25.6	Medical Care	2	0	2	2	0	2	0	0	0	2	0	2	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs		11.2	11.2		11.8	11.8	0				11.8	11.8	0		
25.7	Storage Services			0			0	0					0	0		
25.7	Office Furniture/Equip. Repair and Maintenance		49.1	49.1		51.6	51.6	0				51.6	51.6	0		
25.7	Vehicle Repair and Maintenance		37.2	37.2		39	39	0				39	39	0		
25.7	Residential Furniture/Equip. Repair and Maintenance	28.9	13	41.9	44		44	0			31.8	12.2	44	0		
	Subtotal OC 25.7	28.9	110.5	139.4	44	102.4	146.4	0	0	0	31.8	114.6	146.4	0	0	0
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0	0					0	0		
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	383.9	139.6	523.5	248.8	108	356.8	0			165.1	76.5	241.6	0		
	Subtotal OC 26.0	383.9	139.6	523.5	248.8	108	356.8	0	0	0	165.1	76.5	241.6	0	0	0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	27.1	5.8	32.9	21.3	1.1	22.4	0			30.4	6.6	37	0		
31.0	Purchase of Office Furniture/Equip.	24.2	17.9	42.1	10		10	0			10		10	0		
31.0	Purchase of Vehicles	25		25	25		25	0			25		25	0		
31.0	Purchase of Printing/Graphics Equipment			0			0	0					0	0		
31.0	ADP Hardware purchases	45.7	29.3	75	150		150	0			100		100	0		

**Operating Expense**

Org. Title: USAID/MANILA				Overseas Mission Budgets														
Org. No: 23492				FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC	3/26/99	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
31.0	ADP Software purchases			0			0			0			0			0		
	Subtotal OC 31.0	122	53	175	206.3	1.1	207.4	0	0	0	165.4	6.6	172	0	0	0		
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0		
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0		
32.0	Building Renovations/Alterations - Office			0			0			0			0			0		
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0		
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
42.0	Claims and indemnities			0			0			0			0			0		
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL BUDGET		2,350.0	2,500.0	4,850.0	2,350.0	2,400.0	4,750.0	0	0	0	2,350.0	2,400.0	4,750.0	0	0			

**Additional Mandatory Information**

<b>Dollars Used for Local Currency Purchases</b>	\$491.3		\$506.8			\$537.8	
<b>Exchange Rate Used in Computations</b>	<u>P37:\$1</u>	<u>P37:\$1</u>	<u>P37:\$1</u>	<u>P37:\$1</u>	<u>P37:\$1</u>	<u>P37:\$1</u>	<u>P37:\$1</u>

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal: 0 0 0 1.5 0

Organization: USAID/Manila

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0			0	1.5		1.5
Withdrawals			0			0			0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	1,971.8	477.7	577.7
Obligations	2,500.0	2,400.0	2,400.0
Deposits	1,005.9	2,500.0	2,500.0
Balance End of Year	477.7	577.7	677.7

**Exchange Rate**                      P37:\$1                      P37:\$1                      P37:\$1

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0	0	0

**Exchange Rate**                      \_\_\_\_\_                      \_\_\_\_\_                      \_\_\_\_\_

**Cost of Controllers Operations**

Org. Title: USAID/MANILA			Overseas Mission Budgets														
Org. No: 23492			FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC 03/26/99			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH		42.2		42.2	45.7		45.7	0		0	50.3		50.3	0		0
	Subtotal OC 11.1		42.2	0	42.2	45.7	0	45.7	0	0	0	50.3	0	50.3	0	0	0
11.3	Personnel comp. - other than full-time permanent		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH				0			0	0		0			0			0
	Subtotal OC 11.3		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH				0			0			0			0			0
11.5	FNDH		10		10	11		11	0		0	12.1		12.1			0
	Subtotal OC 11.5		10	0	10	11	0	11	0	0	0	12.1	0	12.1	0	0	0
11.8	Special personal services payments		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries		22		22	22.6		22.6	0		0	23.3		23.3			0
11.8	FN PSC Salaries			227.1	227.1		270.3	270.3	0		0		297.3	297.3			0
11.8	IPA/Details-In/PASAs/RSSAs Salaries				0			0	0		0			0			0
	Subtotal OC 11.8		22	227.1	249.1	22.6	270.3	292.9	0	0	0	23.3	297.3	320.6	0	0	0
12.1	Personnel benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances				0			0			0	55.2		55.2			0
12.1	Cost of Living Allowances				0			0			0			0			0
12.1	Home Service Transfer Allowances				0			0			0			0			0
12.1	Quarters Allowances				0			0			0			0			0
12.1	Other Misc. USDH Benefits		2.2		2.2			0			0	4		4			0
12.1	FNDH Benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH				0			0			0			0			0
12.1	Other FNDH Benefits		7.5		7.5	8.2		8.2	0		0	8.9		8.9			0
12.1	US PSC Benefits				0			0			0			0			0
12.1	FN PSC Benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC				0			0			0			0			0
12.1	Other FN PSC Benefits				0			0			0			0			0
12.1	IPA/Detail-In/PASA/RSSA Benefits				0			0			0			0			0
	Subtotal OC 12.1		9.7	0	9.7	8.2	0	8.2	0	0	0	68.1	0	68.1	0	0	0
13.0	Benefits for former personnel		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		



**Cost of Controllers Operations**

Org. Title: USAID/MANILA		Overseas Mission Budgets														
Org. No:	23492	FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC	03/26/99	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
Subtotal OC 13.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	16.5		16.5	16.5		16.5			0	16.5		16.5			0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0			0			0	13.8		13.8			0
21.0	Assignment to Washington Travel			0			0			0			0			0
21.0	Home Leave Travel	2.5		2.5	2.5	2	4.5			0	2.6		2.6			0
21.0	R & R Travel	1.8		1.8	2		2			0	2.2		2.2			0
21.0	Education Travel			0			0			0			0			0
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	2.9		2.9	1.5		1.5			0	1.5		1.5			0
21.0	Site Visits - Mission Personnel	29	7.7	36.7	23.4	7.8	31.2			0	15.6	7.8	23.4			0
21.0	Conferences/Seminars/Meetings/Retreats	9.7		9.7	4.9		4.9			0	4.9		4.9			0
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel			0			0			0			0			0
Subtotal OC 21.0		62.4	7.7	70.1	50.8	9.8	60.6	0	0	0	57.1	7.8	64.9	0	0	0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0			0			0	43		43			0
22.0	Home Leave Freight	1		1	1		1			0	1		1			0
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.			0			0			0			0			0
22.0	Transportation/Freight for Res. Furniture/Equip.			0			0			0			0			0
Subtotal OC 22.0		1	0	1	1	0	1	0	0	0	44	0	44	0	0	0

**Cost of Controllers Operations**

Org. Title: USAID/MANILA			Overseas Mission Budgets														
Org. No:	23492		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC	03/26/99		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.2	Rental payments to others		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			44.7	44.7			51.4	51.4		0			56.5	56.5		0
23.2	Rental Payments to Others - Warehouse Space			14.5	14.5			15.9	15.9		0			17.5	17.5		0
23.2	Rental Payments to Others - Residences		35.7		35.7	37.5		37.5			0	41		41			0
Subtotal OC 23.2			35.7	59.2	94.9	37.5	67.3	104.8	0	0	0	41	74	115	0	0	0
23.3	Communications, utilities, and miscellaneous charges		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			17	17			15.8	15.8		0			15.8	15.8		0
23.3	Residential Utilities			10.2	10.2			10	10		0			10	10		0
23.3	Telephone Costs		1.3	12.9	14.2	1.3	12.6	13.9			0	1.3	12.6	13.9			0
23.3	ADP Software Leases				0			0			0			0			0
23.3	ADP Hardware Lease				0			0			0			0			0
23.3	Commercial Time Sharing				0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)		0.4	0.2	0.6	0.4	0.2	0.6			0	0.4	0.2	0.6			0
23.3	Other Mail Service Costs				0			0			0			0			0
23.3	Courier Services			1	1		1	1			0		1	1			0
Subtotal OC 23.3			1.7	41.3	43	1.7	39.6	41.3	0	0	0	1.7	39.6	41.3	0	0	0
24.0	Printing and Reproduction		1	1.4	2.4	1	1.4	2.4			0	1.1	1.4	2.5			0
Subtotal OC 24.0			1	1.4	2.4	1	1.4	2.4	0	0	0	1.1	1.4	2.5	0	0	0
25.1	Advisory and assistance services		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations				0			0			0			0			0
25.1	Management & Professional Support Services		12	5	17	4		4			0	4		4			0
25.1	Engineering & Technical Services				0			0			0			0			0
Subtotal OC 25.1			12	5	17	4	0	4	0	0	0	4	0	4	0	0	0
25.2	Other services		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			6	6			5.8	5.8		0			6.3	6.3		0
25.2	Residential Security Guard Services				0			0			0			0			0
25.2	Official Residential Expenses				0			0			0			0			0
25.2	Representation Allowances				0			0			0			0			0
25.2	Non-Federal Audits		10		10	10		10			0			0			0
25.2	Grievances/Investigations				0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees				0			0			0			0			0
25.2	Vehicle Rental				0			0			0			0			0
25.2	Manpower Contracts			19.2	19.2		20.2	20.2			0		21.2	21.2			0
25.2	Records Declassification & Other Records Services				0			0			0			0			0

**Cost of Controllers Operations**

Org. Title: USAID/MANILA			Overseas Mission Budgets														
Org. No: 23492			FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC 03/26/99			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Recruiting activities				0			0			0			0			0
25.2	Penalty Interest Payments				0			0			0			0			0
25.2	Other Miscellaneous Services	1	6.4		7.4	1	6.6	7.6			0	1	6.6	7.6			0
25.2	Staff training contracts			1.9	1.9			1.9			0			1.9			0
25.2	ADP related contracts				0			0			0			0			0
	Subtotal OC 25.2	11	33.5		44.5	11	34.5	45.5	0	0	0	1	36	37	0	0	0
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.3	ICASS		17.6		17.6		20.6	20.6			0		20.6	20.6			0
25.3	All Other Services from Other Gov't. accounts				0			0			0			0			0
	Subtotal OC 25.3	17.6	0		17.6	20.6	0	20.6	0	0	0	20.6	0	20.6	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.4	Office building Maintenance		2.8		2.8		2.9	2.9			0		2.9	2.9			0
25.4	Residential Building Maintenance		1.6		1.6		1.6	1.6			0		1.6	1.6			0
	Subtotal OC 25.4	0	4.4		4.4	0	4.5	4.5	0	0	0	0	4.5	4.5	0	0	0
25.6	Medical Care	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
25.7	ADP and telephone operation and maintenance costs		1.8		1.8		1.9	1.9			0		1.9	1.9			0
25.7	Storage Services				0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance		8		8		8.1	8.1			0		8.1	8.1			0
25.7	Vehicle Repair and Maintenance		6.1		6.1		6.1	6.1			0		6.1	6.1			0
25.7	Residential Furniture/Equip. Repair and Maintenance	3.4	1.5		4.9	5.5		5.5			0	4	1.5	5.5			0
	Subtotal OC 25.7	3.4	17.4		20.8	5.5	16.1	21.6	0	0	0	4	17.6	21.6	0	0	0
25.8	Subsistence & spt. of persons (by contract or Gov't.)				0			0			0			0			0
	Subtotal OC 25.8	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	62.9	22.8		85.7	39.5	17	56.5			0	20	18.3	38.3			0
	Subtotal OC 26.0	62.9	22.8		85.7	39.5	17	56.5	0	0	0	20	18.3	38.3	0	0	0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			
31.0	Purchase of Residential Furniture/Equip.	3.2	0.7		3.9	2.7		2.7			0	3.8		3.8			0
31.0	Purchase of Office Furniture/Equip.	3.9	2.9		6.8	1.6		1.6			0	1.6		1.6			0

**Cost of Controllers Operations**

Org. Title: USAID/MANILA		Cost of Contractors Operations														
Org. No:	23492	Overseas Mission Budgets														
OC	03/26/99	FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31.0	Purchase of Vehicles			0			0			0			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases	7.5	4.8	12.3	23.6		23.6			0	15.8		15.8			0
31.0	ADP Software purchases			0			0			0			0			0
Subtotal OC 31.0		14.6	8.4	23	27.9	0	27.9	0	0	0	21.2	0	21.2	0	0	0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		307.2	428.2	735.4	288	460.5	748.5	0	0	0	369.5	496.5	866	0	0	

**Additional Mandatory Information**

**Dollars Used for Local Currency Purchases**

\$95.40

\$102.40

\_\_\_\_\_

\$112.30

\_\_\_\_\_

**Exchange Rate Used in Computations**

P37:\$1

P37:\$1

P37:\$1

P37:\$1

\_\_\_\_\_

P37:\$1

P37:\$1

\_\_\_\_\_

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal:

0

0

0

0

0

## ANNEX A

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### ENVIRONMENTAL IMPACT

The Mission has prepared several documents during this reporting period in compliance with the environmental procedures outlined in 22 CFR Part 216. IEEs have been submitted and approved for 1) AGILE; 2) expansion of GEM/ELAP; 3) a PASA with the U.S. Department of Energy; and 4) a PASA with the National Renewable Energy Lab of the USDOE. In addition, an Environmental Assessment of "Proposed Pesticide Use in the Emergency Livelihood Assistance Program (ELAP) of the Growth With Equity in Mindanao (GEM) Project" was prepared and approved by the Bureau Environmental Officer (BEO) through a Record of Decision on December 8, 1998. Working in close coordination with the BEO, the Mission will continue to prepare IEEs and EAs, as appropriate.

## **ANNEX B**

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### **USAID CLIMATE CHANGE INITIATIVE INDICATORS: REPORTING FOR FY 1998**

**(based on tables provided by USAID/Washington)**

## RESULT 1: INCREASED PARTICIPATION IN THE FRAMEWORK CONVENTION ON CLIMATE CHANGE

### Indicator 1: Policy Development Supporting the Framework Convention on Climate Change

Instructions: Please report on each policy measure addressed with USAID support or as a result of USAID efforts.

Country: <u>Philippines</u>  Policy Measure	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
	Step 1: Policy Preparation and Presentation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Integration of climate change into national strategic, energy, and sustainable development strategies	X	X	X	Integrated Resource Planning (EGEAS) and Climate Friendly Planning Tools in the Power Development Program and the Philippine Energy Plan.
Emissions inventory	X	X	X	Submitted as part of the National Communications continuously implemented by the Manila Observatory (Ateneo de Manilla University)
Mitigation analysis	X	X	X	As a key country participant in the Asia Least cost Greenhouse Gas Abatement Strategy (ALGAS). Line losses from cooperatives. Power plant heat loss studies.
Vulnerability and adaptation analysis				
National Climate Change Action Plan	X			Grant to the Foundation for Philippine Energy to assist with the preparation of the National Action Plan.
Procedures for receiving, evaluating, and approving joint implementation (JI) proposals	X			Provided training for evaluating JI proposals.
Procedures for monitoring and verifying GHG emissions	X			Establishment of the National Climate Change Information Center (Ateneo de Manila/Manila Observatory)
Growth baselines for pegging greenhouse gas emissions to economic growth				
Legally binding emission reduction targets and timetables.				
<b>Sub-total: Number of policy steps achieved</b>	6	3	3	
<b>Total policy steps achieved</b>			12	

# **RESULT 1: INCREASED PARTICIPATION IN THE FRAMEWORK CONVENTION ON CLIMATE CHANGE**

## **Indicator 2: Increased capacity to meet requirements of the UNFCCC**

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance or both, and list the activity(ies) that contribute to each of the capacity building categories. Please report on other areas not listed, if appropriate.

Country: <u>Philippines</u> Categories	Types of Support Provided		List the Activity(ies) that Contribute to Each Capacity Building Category
	Training	Technical Assistance	
Monitoring and verifying GHG emissions		X	Support to Manila Observatory
Growth baselines for pegging GHG emissions to economic growth			
Development of emissions reduction targets and timetables			
Support for activities implemented jointly	X	X	Provided training and assistance in the economic and financial evaluation of energy efficient projects.
Other	X	X	Assessed the potential of market-based instruments in controlling GHG emissions
<b>Total number of points for Training/technical assistance</b>	2	3	



**RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR**
**Indicator 1: Area where USAID has initiative interventions to maintain or increase carbon stocks or reduce their rate of loss; and**
**Indicator 2: Areas where USAID has achieved on-the-ground impacts to preserve, increase, or reduce the rate of loss of carbon stock.**

USAID activity name	Location			The Site and USAID's Involvement						Additional info you have  (chose from the info codes below)
	Country	Region, Province , or State	Site	Principle activity(ies)  (list 1 per line using the activity codes below)	Area where USAID has initiated activities (hectares)  <b>(Indicator 1)</b>	Area where USAID has conserved carbon (hectares)  <b>(Indicator 2)</b>				
						Predominat e vegetation type  (1 per line; use vegetation codes below)	Natural ecosystems <b>(2a)</b>	Predominate managed land type  (1 per line; use managed land types below)	Managed lands <b>(2b)</b>	
<i>Example:</i>  Ecodeve lopment Program	Mexico	Sierra Madre Occident al	El Complicado Biosphere Reserve	1	40,000	e	1,000			1, 2
				1	40,000	f	500			
				5	200	k		4	150	
	Philippines	Regions 2,4,5,10, 11,13	Residual forest areas	2	626,000	i/j			535,000	

**RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR**

**Indicator 3: National/sub-national policy advances in the land use/forestry sector that contribute to the preservation or increase of carbon stocks and sinks, and to the avoidance of greenhouse gas emissions.**

Instructions: Please report on each policy measure addressed with USAID support or as a result of USAID efforts.

Country: <u>Philippines</u> Activity or Policy Measure	Scope (N or S)	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
		Step 1: Policy Preparation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Facilitates improved land use planning	N	X	X	X	National Forest Land Use Planning guidelines adopted and implemented
Facilitates sustainable forest management	N	X	X	X	Executive Order (EO 263) mandating community-based forest management as national policy issued and implemented. Department Administrative Order (DAO 96-2 defining implementing rules and regulations of EO 263 implemented.
Facilitates establishment and conservation of protected areas	N	X	X	X	Passage of National Integrated Protected Areas System
Improves integrated coastal management	N/S	X	X	X	Coastal and Marine Management Office at the Department of Environment and Natural Resources Management established. Annual local government budget allocated for CRM.
Decreases agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management					
Corrects protective trade policies that devalue forest resources					
Clarifies and improves land and resource tenure	N	X	X	X	EO 263 and DAO 96-2 implemented.
Number of points achieved per policy step		5	5	5	
Total policy steps				15	

**RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR****Indicator 4: Dollars leveraged through agreements with USAID donor partners (forestry and land use sectors)**

Instructions: In the first column, list all relevant activities or projects. In the right-hand columns, note the amount of 1997 dollars that are directly and indirectly leveraged by USAID for activities that contribute to the preservation or increase of carbon stocks and reduction of greenhouse gas emissions. (See Indicator 4 on page 6 for definitions.)

Country: <u>Philippines</u>	Source of Leveraged Funds	Direct Leverage (4a)	Indirect Leverage (4b)
Activity Description			
SO4: Forest Resources Management	Asian Development Bank		The ADB will likely adopt the FRM model in renegotiating an \$80 million loan for the forestry sector.

**RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR****Indicator 5: Institutional Capacity Strengthened****5a: Increased capacity to address global climate change issues**

Unit: Number of institutions

Country: <u>Philippines</u>		Name of Associations, NGOs, or other Institutions Strengthened
Number of USAID-assisted associations, NGOs or other public and private institutions strengthened to address GCC issues		
Number of NGOs	3	Plan International, Center for International Environmental Law and Manila Observatory
Number of Private Institutions		
Number of Research/Educational Institutions		
Number of Public Institutions		
<b>Total Number of Institutions Strengthened:</b>	3	

## RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR

### Indicator 5: Institutional Capacity Strengthened

#### 5b. Strengthening technical capacity through workshops, research, and/or training activities

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance, or both, and list the activity(ies) that contribute(s) to each of the capacity building categories. Please report on other areas not listed, if appropriate.

<b>Country:</b> <u>Philippines</u>  <b>Category</b>	<b>Types of Support Provided</b>		<b>List the Activity(ies) that Contribute to Each Capacity Building Category</b>
	<b>Training</b>	<b>Technical Assistance</b>	
Advancing improved land use planning	X	X	Refer to Indicator 3 activities which are supported through training and TA
Advancing sustainable forest management	X	X	Same as above
Advancing establishment and conservation of protected areas	X	X	Same as above
Advancing integrated coastal management	X	X	Same as above
Advancing decreases in agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management			
Advancing the correction of protective trade policies that devalue forest resources			
Advancing the clarification and improvement of land and resource tenure	X	X	Same as above
Other			
<b>Number of categories where training and technical assistance has been provided:</b>	<b>5</b>	<b>5</b>	

### RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

#### Indicator 1: Emissions of CO<sub>2</sub> equivalents avoided

Instructions: For each activity contributing to this indicator, write a brief description of the activity in the first column, and write the result in whichever of the three reporting columns that corresponds to this activity. (For example, for a renewable energy activity, put the MW-h of renewable energy produced in electricity generation in column two (1a) or the BTUs of renewable energy produced in thermal combustion in column three (1a). Then put the fuel type replaced in column four (1a).) USAID/W will make the appropriate conversion into metric tonnes of CO<sub>2</sub> equivalents avoided.

Country: <u>Philippines</u>	1a. CO <sub>2</sub> emissions avoided through renewable energy activities			1b. CO <sub>2</sub> emissions avoided through end use energy efficiency improvements			1c. CO <sub>2</sub> emissions avoided through energy efficiency improvements in generation, transmission, and distribution (including new production capacity)		
	MW-h produced in electricity generation	BTUs produced in thermal combustion	Fuel Type replaced <sup>1</sup>	MW-h saved	BTUs saved in thermal combustion	Fuel Type saved <sup>1</sup>	MW-h saved	BTUs saved in thermal combustion	Fuel Type saved <sup>2</sup>
Industrial Retrofits				100		Coal			
Installation of renewable activities	828		New						
Demand side management				411					
Line loss reduction							2,488		

<sup>1</sup> Provide fuel type replaced/saved if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

<sup>2</sup> Provide site-specific fuel type information if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

### RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

#### Indicator 1: Emissions of CO<sub>2</sub> equivalents avoided (continued)

Instructions: For each activity contributing to this indicator, write a brief description of the activity in the first column, and write the result in whichever of the three reporting columns that corresponds to this activity. (For example, for a fuel switching activity, put the MW-h of renewable energy produced in column two (1a) or the BTUs of renewable energy produced in thermal combustion in column three (1a). Then put the fuel type replaced in column four (1a). If the activity captured methane from a landfill, put the tonnes of methane captured in column six (1e).) USAID/W will make the appropriate conversion into metric tonnes of CO<sub>2</sub> equivalents avoided.

Country: <u>Philippines</u>  Activities:	1d. CO <sub>2</sub> emissions avoided as a result of switching to cleaner fossil fuels (including new production capacity)				1e. Tonnes of methane captured from solid waste, coal mining, sewage	1f. Tonnes of nitrous oxide emissions avoided through improved agriculture
	MW-h produced in electricity generation	BTUs produced in thermal combustion	Old Fuel Type	New Fuel Type		
District heating		300,000	coal	natural gas		
Installation of renewable activities						
Demand side management						
Line loss reduction						

<sup>1</sup> Provide fuel type replaced/saved if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

<sup>2</sup> Provide site-specific fuel type information if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.?

### **RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS**

#### **Indicator 2: Decreased CO<sub>2</sub> emitted per MW-h of energy produced**

Instructions: If these data are available for your country, please enter the total amount of energy produced by the country (MW-h) and the corresponding amount of carbon dioxide emitted (metric tonnes).

Country: Philippines

MW-h of energy produced: 41 Million

Corresponding metric tonnes of CO<sub>2</sub> emitted: 1.94 X 10<sup>10</sup> MT



### RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

**Indicator 3: National/sub-national policy advances in the energy sector, industry and urban areas that contribute to the avoidance of greenhouse gas emissions.**

Country: <u>Philippines</u> Activity or Policy Measure	Scope (N or S)	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
		Step 1: Policy Preparation and Presentation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Facilitates improved demand side management or integrated resource planning	N	X	X	X	Facilitate the establishment of the DSM. Regulatory Framework in the Energy Regulatory Board and the IRP in the Power Development Program.
Facilitates competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	N	X			Assessment of market based instruments. Studies on removal of subsidies on imported fuels. Entry of independent power producers through the Omnibus Power Bill.
Facilitates the installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	N	X	X	X	Efficient Lighting with Del Monte Philippines, Solar PV and Micro Hydro, Heat Rate Improvements in generation, and System Loss Reduction in transmission/distribution.
Facilitates the use of renewable energy technologies	N	X			Conference on Renewable Energy Inputs to the Implementing Rules and Regulations for the Omnibus Power Bill and Drafting of the Renewable Energy Bill.
Facilitates the use of cleaner fossil fuels (cleaner coal or natural gas)	N	X	X		Provided the analytical tools for the adoption of a natural gas pricing model effecting the signing of a natural gas sales and purchase agreement.
Promotes the use of cogeneration	N	X			Market assessment for potential Fuel Cell application in cogeneration.
Other: Facilitates adoption of market based instruments	N	X			Assessment of the use of market based instruments to mitigate the emission of GHG in the power sector
Number of points achieved per policy step		7	3	2	
Total policy steps				12	

**RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS****Indicator 4: Strategies/audits that contribute to the avoidance of greenhouse gas emissions**

Instructions: In the first column describe the activity (e.g. "industrial pollution prevention and energy efficiency auditing in metal finishing"). In the second column, give the number of industrial firms/municipalities that have undertaken audits or developed greenhouse gas reduction strategies. In the third column provide the number of industrial firms or municipalities that have implemented the strategies or audit results.

Units: Number of strategies/audits

<b>Country:</b> <u>Philippines</u> <b>Activity: (please list)</b>	<b>Number of audits or strategies completed</b>	<b>Number implemented</b>
Power plant audits -- efficiency and improvement	6	0
Industrial and commercial plant audits	12	1
Fuel and appliance testing laboratory audits -- ISO 25	1	0
<b>Total</b>	19	1

**RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS****Indicator 5: Dollars leveraged through agreements with USAID donor partners (energy, industry and urban sectors)**

Instructions: In the first column, list the activities or projects taking place. In the right-hand columns, note the amount of 1997 dollars that are directly and indirectly leveraged by USAID. Units: 1997 dollars.

<b>Country:</b> <u>Philippines</u>		<b>Direct Leverage (5a)</b>	<b>Indirect Leverage (5b)</b>
<b>Activity Description</b>	<b>Source of Leveraged Funds</b>		
Counterpart contribution for energy activities	Government of the Philippines (GOP)		\$700,000
ADB power restructuring loan	Asian Development Bank (ADB)	\$100 Million	
Mini-hydro project cost	Private Utilities and PEI	\$20.7 Million	
Pre-investment support for renewable energy projects	Preferred Energy Investment (PEI)	\$3.85 Million	
<b>Total</b>		\$124.5 Million	\$700,000

### RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

#### Indicator 6: Institutional Capacity Strengthened

##### 6a: Increased capacity to address global climate change issues

Unit: Number of institutions

Country: <u>Philippines</u>		Name of Associations, NGOs, or other Institutions Strengthened
Number of USAID-assisted associations, NGOs or other public and private institutions strengthened to address GCC issues		
Number of NGOs	4	International Institute for Energy Conservation (IIEC), Foundation for Philippine Environment (FPE), Sibol ng Agham at Teknolohiya (SIBAT), Philippine Rural Reform Movement (PRRM).
Number of Private Institutions	9	World Energy Council (WEC), Preferred Energy Investment (PEI), Winrock International, utilities organizations -- MERALCO, PEPOA, VECO, CEPALCO, Davao Light, Iligan Light.
Number of Research/Educational Institutions	4	Manila Observatory/Ateneo de Manila, University of the Philippines, National Engineering Center, Philippine Association of Tertiary Level Educational Institutions.
Number of Public Institutions	11	Dept of Energy (DOE), Dept on Environment and Natural Resources (DENR), National Power Corporation (NPC), Philippine National Oil Company (PNOC), National Electrification Administration (NEA), Energy Regulatory Board (ERB), Department of Science and Technology (DOST), National Economic Development Authority (NEDA), Congressional Committees (2) on Energy, Inter-Agency Committee on Climate Change .
<b>Total Number of Institutions Strengthened:</b>	28	

### RESULT 3: DECREASED NET GHG EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

#### Indicator 6: Institutional Capacity Strengthened

##### 6b. Strengthening technical capacity through workshops, research, and/or training activities

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance, or both, and list the activity(ies) that contribute(s) to each of the capacity building categories. Please report on other areas not listed, if appropriate.

Country: <u>Philippines</u>  Category	Types of Support Provided		List the Activity(ies) that Contribute to Each Capacity Building Category
	Training	Technical Assistance	
Improved demand side management or integrated resource planning	X	X	Demand side management and Integrated Resource Planning workshops and software.
Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	X	X	Market based instruments and energy pricing model workshops. Studies on removal of subsidies. Workshops to provide expertise in the formulation of the Omnibus Power Bill and its IRRs to provide open access to the transmission grid.
Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	X	X	Power plant controllable losses studies, including Heat Rate Improvement, System Loss Reduction Programs, Renewable Energy Assessments, including Training.
Use of renewable energy technologies	X	X	Conference on Renewables and Studies on the Constraints and Opportunities of Renewables.
Use of cleaner fossil fuels (cleaner coal or natural gas)		X	Fuel Cell and Clean Coal Technology Assessments.
Introduction of cleaner modes of transportation and efficient transportation systems			
Use of cogeneration			
Other: Market-Based Instruments	X	X	Workshop on Emission Trading and Assessment of MBIs Use in the country.
<b>Total number of points for Training/technical assistance</b>	5	6	

# **RESULT 4: REDUCED VULNERABILITY TO THE THREATS POSED BY CLIMATE CHANGE**

## **Indicator 1: USAID Programs that Reduce Vulnerability to Climate Change**

<b>Key Area (i, ii, iii, iv, v)</b>	<b>Country</b>	<b>Strategic Objective (Name and Number)</b>	<b>Budget</b>	<b>Duration</b>	<b>Type of Prgm (see list below)</b>	<b>Description</b>
i	Philippines	SO4: Environment	\$31.5 M	7/98-9/01	1, 2	Under the Natural Resources Management Program
ii	Philippines	SO6: Democracy	\$552,000	9/94-9/99	3	Grant to Corporate Network for Disaster Response, under the PVO-Co-Financing Program IV
iv	Philippines	SO4: Environment	\$38.8 M	3/95-9/99	1, 2	Under the Natural Resources Management Program

### **Codes for Tracking and Recording Programs**

<b>Key Areas</b>	<b>Program Types</b>
<b>i. Coastal Zone</b>	<b>1. Urban/Infrastructure 2. Natural Resource</b>
<b>ii. Disaster Preparation Relief</b>	<b>1. Early Warning System 2. Humanitarian Response 3. Capacity Building</b>
<b>iii. Agriculture &amp; Food Security</b>	<b>1. Research and Development 2. Policy Reform 3. Extension/Demonstration</b>
<b>iv. Biodiversity &amp; Forestry</b>	<b>1. Preservation of Biodiversity 2. Forest Conservation</b>
<b>v. Human Health and Nutrition</b>	<b>1. Improved Quality of Health Services 2. Vector Control 3. Improved Nutrition</b>

## ANNEX C

### SYNERGY: ONGOING PROGRAM COLLABORATION ACROSS STRATEGIC OBJECTIVES

SO	Collaborating with	Areas for Program Collaboration
SO 1 Mindanao	SO2, SO3, SO4, SO6.	SO1's extensive presence and network of contacts throughout Mindanao greatly facilitates and integrates economic transformation activities with other Mission activities in economic growth (such as build-operate-transfer investments, local governance and business support activities of local governments, coastal and forest management and livelihood generation in these areas, family planning, child survival and AIDS. In many cases, efforts made by SO1 in Mindanao serve as a "launching pad" for broader policy reform activities under SO2 .
SO 2 Trade & Investment	SO1, SO3, SO5 (energy), SO6.	The work on trade and investment policy impacts directly on many of the activities carried out under SO1, Mindanao, and the policy agenda of the two strategic objectives are closely coordinated. Under AERA, SO2 activities are put within the framework of responding to the Asian Financial Crisis, including anti-corruption activities of SO6 and child survival activities of SO3, health. In the area of privatization of the power industry, SO 2 and SO 5, Climate Change, share common objectives.
SO 3 Health, Pop, & Nutrition	SO2, SO6	Through the Local Government Unit Performance Program (LPP), SO3 works collaboratively with SO6, democracy and local governance, in strengthening family planning and health planning through local health boards, and in strengthening health financing at the local level. The use of SO6's Technology of Participation (ToP) tool has been used to engender the facilitation skills of LPP managers and coordinators. SO3 supports drug procurement reform in tandem with SO 6 and SO2, as a way to increase transparency in the Philippines.
SO 4 Natural Resources Management	SO1, SO 6	Coastal and forest management activities are closely coordinated with SO1, Mindanao and SO6's local governments where they have common sites.
SO 6 Democracy	SO1, SO2, SO3, SO4	More than any other strategic objective, SO 6 is the force integrating the USAID strategy. Many of the civil society grants have a strong link to the Mission's work in economic growth, such as establishing microfinance standards, expanding participation in policy-making in high-growth areas, and opposing child labor and sexual harassment. Local government capacity building helps achieve Mission objectives in environment, health and economic growth.

## ANNEX D

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### **Status of USAID/Philippines Y2K Activities**

An assessment of Y2K problems in USAID-financed programs conducted in November 1998 identified only three critical areas: the Contraceptives Logistics Management System (CDLMIS), the Air Transportation Office (ATO) and the HIV/AIDS Sentinel Surveillance System (HSS). The CDLMIS is now Y2K-compliant. The Mission is providing funds from its existing program resources to upgrade the computers used in the HSS. It is also providing technical assistance to the ATO for the development of its contingency plan.

For systems within the Mission, USAID/Philippines has made significant progress on and expects full Y2K-compliance of both hardware and software. Regarding areas in which the Mission is dependent on the host country systems for continued operations (e.g., telecommunications, power, water, etc.), USAID/Philippines is completing its contingency plans to minimize possible adverse effects of the Y2K problem.